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Accounting - including a practice set.



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THE DEVELOPMENT OF A UNIT FOR
TEACHING HOTEL ACCOUNTING
INCLUDING A PRACTICE SET

Submitted by

Raymond E. Jenkins

(B. B. A., Boston University, 1939)

In partial fulfillment of the requirements
for the degree of Master of Education

1949

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CHAPTER I

INTRODUCTION

The purpose of this report was to develop a unit for teaching hotel accounting together with a practice set for student use. The unit has been prepared for teaching students who have a general mastery of accounting, but who lack the specialized knowledge, techniques, and skills necessary to this field. In order to fill in the pertinent background information, the first part of the unit describes the business and organization of hotelkeeping. This explanation is followed by analysis of the theories and principles of accounting which are applicable to hotels. These principles are then utilized in a practice problem, the solution of which will enable students to master the unit.

While the aim of this report was to present sound accounting methods for small hotels of all types, the discussion and explanation was limited to a hotel of a certain type and size. An average small transient hotel of 100 rooms or less was selected for this study.

The material in this report is based upon several years of actual hotel experience, the experience gained by the writer in teaching general accounting, and the study of standard texts in the field of hotel accounting.

CHAPTER II

BUSINESS OF HOTELKEEPING

Importance and Nature of Hotel Industry

A hotel accounting firm, Horwath and Toth¹, makes the following appraisal of the hotel industry.

On the basis of annual sales, number of employees, and capital invested, the hotel industry is one of America's leading industries. But quite aside from statistical measures of size, the hotel industry is a necessary wheel in our complex economic machinery. As industrial activity increases, the volume of commercial travel also increases, and transient hotels enjoy good business. Industrial prosperity is also reflected in the greater volume of vacation travel and in crowded resort hotels. However, the volume of hotel business is inclined to lag behind industrial activity.

The U. S. Census of hotels showed the following statistical summary for the United States in 1939:

Number of Guest Rooms	Number of Establishments	Receipts
300 and over	548	343,310
100 to 299	2,521	258,972
50 to 99	4,626	119,631
25 to 49	8,156	78,967
Less than 25	12,136	62,275

During the Second World War, hotel sales practically doubled, and there was a great increase in the number of employees and annual payrolls.

The importance of the hotel as a factor in the prosperity of a community has been generally overlooked. It has been estimated that for every dollar spent in hotels by visitors to

¹Horwath, E. B., and Toth, Louis, Hotel Accounting, Ronald Press Company, New York, 1948, pp. 7-8

the community, they spend two dollars locally, outside the hotel. Furthermore, for every dollar the hotel takes in, about 90 cents is paid over to local business interests. These figures, adjusted to a national basis, emphasize the importance of the hotel industry: the annual sales reported by hotels amounted to \$1,000,000,000, and another \$2,000,000,000 is spent locally by hotel guests. Since 90 per cent of the hotels' receipts reach local business, the hotels of this country are responsible for bringing nearly \$3,000,000,000 annually into the communities where they are located. During the Second World War and in the year immediately following it, all these figures increased about 50 per cent.

Types of Hotels²

Hotels can be divided into two general classes: those operating on the American plan and those operating on the European plan. American-plan hotels have one price, which include both room and board, while European-plan hotels fix the prices of rooms separately so that guests may either have their meals in the hotel dining room at its regular prices or go to other restaurants.

Hotels can be classified as transient or residential, according to the permanency of their guests. A new semi-residential type has developed in the larger cities, catering to both groups. Resort hotels may be regarded as semi-residential, with distinctive features of their own.

The transient hotel is the direct descendant of the old inn, operated primarily to accommodate the traveler. Its distinguishing characteristic is that it sells its room, including board if operating under the American plan, without previous agreement with the guest as to the length of his stay, and consequently its rates are fixed on the

²The information under this heading was adapted from general reading in the Bibliography on page 74.

per diem basis. Transient hotels in large cities are operated almost exclusively under the European plan, but in small cities some use the American plan. A few attempts have been made in European-plan hotels to fix the price for room and breakfast and in others to quote a price covering dinner, room and breakfast to attract the motor tourist, but these attempts have been too sporadic to be considered a pronounced tendency. Many of the transient hotels rent a few rooms and suites on monthly or yearly leases.

Among the transient hotels one frequently finds further classification possible, as when specific hotels tend to cater to a particular class of trade. Thus, family hotels, theatrical hotels, and commercial hotels are found in the larger cities, and the tourist hotel is quite common in the rural areas. Generally speaking, these designations suggest somewhat lower rates than those of the best hotels catering to the general public.

The usual custom of transient hotels is to render a bill for all services at the time of the guest's departure, or if his stay is longer than a week, at the end of seven days. Many of the low-priced hotels extend credit for only three days.

The residential hotel can be described briefly as an apartment house with hotel service, and for this reason is often referred to as an apartment hotel. The rooms are sold on yearly or monthly leases, either furnished or unfurnished, single or "en suite." Nearly every residential hotel operates a restaurant and renders telephone, laundry,

and valet service. Rents are usually collected monthly in advance, while other charges are billed weekly. Residential hotels are found only in the larger cities, and operate almost exclusively under the European plan.

A purely residential hotel is not a hotel in the legal sense of the word since its tenants are not transients. However, its methods of operation and accounting are quite similar to those of the transient hotel.

The semi-residential hotel offers its rooms at a weekly or monthly rate, and also at a daily rate, with a rate reduction for prolonged occupancy. Consequently, this type of hotel attracts more or less permanent tenants who do not wish to be bound by a lease, as well as many transients who want to take advantage of the reduced rate for a longer stay. Like the residential hotels, these semi-residential houses are found in larger cities, and are operated under the European plan.

The typical resort hotel resembles the semi-residential hotel in that it may fix its rates by the day, week, month, or season. Since its guests are persons who wish rest or amusement, the resort has to provide the means of satisfying these desires in addition to the usual hotel service. Years ago, resort hotels operated almost exclusively under the American plan, but now many located in popular vacation centers operate under the European plan or give their patrons the choice between the two plans. As motor travel developed, many resort hotels gradually lost part of their regularly returning patronage but gained a transient trade from the motor tourists. Thus, resort hotels have become more and more like transient hotels.

1. The first part of the paper discusses the importance of maintaining accurate records of all transactions and the role of the auditor in this regard.

2. The second part of the paper discusses the importance of maintaining accurate records of all transactions and the role of the auditor in this regard.

3. The third part of the paper discusses the importance of maintaining accurate records of all transactions and the role of the auditor in this regard.

4. The fourth part of the paper discusses the importance of maintaining accurate records of all transactions and the role of the auditor in this regard.

5. The fifth part of the paper discusses the importance of maintaining accurate records of all transactions and the role of the auditor in this regard.

6. The sixth part of the paper discusses the importance of maintaining accurate records of all transactions and the role of the auditor in this regard.

7. The seventh part of the paper discusses the importance of maintaining accurate records of all transactions and the role of the auditor in this regard.

Problems and Methods

The problems and methods of hotel accounting arise from the nature of the business. There is hardly any other business in which the amount involved in each individual transaction is so small and where these transactions, cash or credit, follow each other with such rapidity. A guest may arrive and take a room, have his baggage delivered, use the telephone and valet service, have his meal in his room or in the dining room, send a telegram, purchase cigars, and dictate a few letters to the public stenographer, all within little more than an hour. During the same time he must be registered; his name must be listed so that mail and telephone messages can reach him; an account must be opened for him; the baggage porter, telephone operator, valet, restaurant cashier, telegraph office, cigar stand, and public stenographer must all record the charges for their services, and must report the charges to the bill clerk, who, in turn must post them to the account of the guest. All this work must be done with such rapidity that the account with the guest is up to the minute, day or night, for the guest may ask for his bill at any moment and leave the hotel. Since the residence address of the guest is often unknown to the hotel clerk, there is very little chance of collecting from him any charge not recorded on his account at the time he checked out.

On the other hand, several of the services of the hotel may be used by persons who are not registered guests preferring to pay for the services.

when rendered, rather than have the charges added to their accounts. This means that employees in many departments are both collecting cash and recording charges.

The leasing of departments by the hotel is referred to as privileges or concessions, and the lessees are called concessionaires. The concessionaires operate these departments entirely independent of the hotel's management or supervision, so long as they conform to its policies. Sometimes the concessionaire pays the hotel a certain percentage of its sales, but this arrangement is advisable only when the hotel has control over the concessionaire's sales, as in the case of the guest's laundry. It is more customary and also wiser to agree on a fixed compensation to the hotel. In either case the hotel guarantees the accounts of its guest, so that the concessionaire can sell on credit as a convenience to the guest, provided he makes sure that his customer is registered at the hotel, and notifies the bill clerk of the charge before the guest checks out. This guarantee is not extended to specialty stores selling valuable pieces of merchandise, unless the charge to the guest is especially approved by the hotel management. The hotel credits the concessionaires with their charge sales to the guest regardless of whether or not it in turn collects from the guest. Settlement with the concessionaires is usually made at the end of the month.

From these circumstances arises the most important part of hotel accounting: the internal control of income and accounts receivable. As far as the purchasing and storing of merchandise and the preparation

and control of pay roll are concerned, there is no difference between a hotel and other business enterprises, although special methods have been adopted more as matter of custom than of necessity. The valuation of china, glassware, silverware, and linen which represents a substantial part of the hotel's assets, calls for individual methods of accounting. In the field of cost accounting, the control of the cost of food sold presents problems peculiar to hotels and restaurants.

A department classification as given by Margaret Pitcher³ is as follows:

The departments that make up a hotel organization may be divided into two groups: those that produce revenue directly and those that do not produce revenue directly. In the first group belong the two major revenue-producing departments, rooms and restaurant, and the minor departments, such as telephone, cigar and newsstand. The second group consists in many hotels of only two departments: accounting and engineering, the latter including the operation of the heating and power plant, as well as the maintenance of the building and equipment.

In a hotel of 100 rooms or less, there may be a full-time accountant who audits the work of the room clerks, day and night, does checking of invoices and other records common to the work of any accounting department, enters the daily records in summary journals and at the end of the accounting period posts entries to the general ledger. He also makes any statistical records helpful to management and the regular periodic financial statements. In hotels of 50 rooms or less the work

³Pitcher, Margaret E., Hotel Bookkeeping, Pitman and Sons, New York, 1949, p. 10.

of the accountant is frequently done by the manager or a secretary-bookkeeper who receives his supervision. In some hotels a part-time accountant is employed to carry on the accounting functions either for a few hours each week or for about one day each month to make statistical records and the financial statements.

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CHAPTER III

THE EQUIPMENT AND ACCOUNTING WORK OF THE FRONT OFFICE

Before entering into the discussion of the accounting problems involved in the control of room sales, the work of the front office should be considered. The aim of this chapter is to consider the tools used, and the relative service functions performed, at this point of guest contact, without entering into a lengthy explanation of accounting methods, which are fully covered in subsequent chapters.

Room Rack

A typical room rack as listed by a hotel supplier is the constantly changing visible index of all occupied and vacant guest rooms in the hotel. It is constructed in the same way as the racks used for time cards. For each room there is a pocket bearing the room number on the left end and so constructed that a card or a slip dropped into the pocket will not cover the number. The pocket of standard size is for a card or slip 4 inches long and 1 1/2 inches high. The pockets overlap, exposing about 1/3 of each card. The exposure may be half an inch or even narrower where the available space is limited. The pockets are arranged in columns, the maximum practical height of a column being 36 inches.

The room rack numbers should be so arranged on the room rack that any number can be quickly located. The best arrangement is one floor to the column, or, where this is not possible, two complete floors. Since most of the bedroom floors, at least in the newer hotels, are exactly

alike, this arrangement of the room rack enables the room clerk to find on a horizontal line all the rooms of the same location and character. The room numbers on the rack must be arranged in the same order as the rooms on the floors, so that communicating doors between the rooms can be indicated on the rack. Consequently, the pockets are not necessarily set in numerical order. If, for example, the rooms on one side of a corridor bear odd numbers and those on the other side even numbers, the room rack shows first all the odd numbers arranged in order, then all the even numbers. Strictly numerical arrangement is not of primary importance, but adjoining rooms should have adjoining pockets on the rack.

While a good room clerk should know the location of the rooms and the equipment that each contains, the room rack should give him all the information needed for intelligent and quick selection of the room desired by a guest, so that he will not have to rely on his memory. This information is recorded by symbols on the exposed parts of the pockets. No absolute uniformity exists in symbols, but the following are those mainly recommended by John Willy Company¹, hotel supplier:

Connections. Connecting doors between rooms and indicated by vertical black arrows immediately following the room number. Connection through a bathroom is indicated by a red arrow.

<u>Baths.</u>	Tub Bath	Red B
	Shower	Red (Inverted T)
	Tub & Shower	Red X

¹John Willy Company, Chicago, Illinois

Baths may be indicated also by the color of the room numbers as follows:

	Tub Bath	All figures in red
	Shower	All figures in green
	Tub & Shower	First and last figures in red, center figures in green
	No Bath	All figures in black
Beds.	Single bed	Green S
	Double bed	Green D
	Twin beds (2 singles)	Green T
	Single & Double	Green O
	Two double beds	Green Δ

Rates. Rates are indicated by a figure and a fraction (3 1/2 equals \$3.50). Rate for one person is given first, then rate for two persons. If a room is arranged so that it may be sold with or without a bath, the rates without the bath are indicated first, then the rates with bath in red figures.

The arrangement of these symbols on a room rack, except for variations in colors, is illustrated below.

301	\perp	S	3	4
302	B	T \downarrow	5	7
303	S	\uparrow	2 1/2	3 1/2
304	X	O \downarrow	6	8
305	B	D \downarrow	4 1/2	6
306	\perp	D \downarrow	4	5 1/2
307	Δ	B \uparrow	6	8
308	\perp	S \downarrow	3	4
309	X	T \downarrow	6	8
310	D	\uparrow	3	4
311	B	D \downarrow	4 1/2	6
312	S	\uparrow	2 1/2	3 1/2

When a room is vacant, its pocket in the room rack is empty and all the symbols are exposed to view. As soon as the room is sold, a rack slip is inserted in the pocket, showing the room number, guest's name and city of residence, number of persons occupying the room, rate per day, and the date of arrival. Rack cards of different colors are used to indicate that the room is reserved, or that it is out of order and may not be sold. A rack card of a distinct color, or a rack slip folded in half may be used to indicate that a room is "on change," that is, that the room has just been vacated and is being cleaned for the next guest. As soon as the housekeeper notifies the room clerk that the room is ready, the special signal is removed from the rack and the room again appears as salable. None of these rack cards covers the printed room number on the rack; all room numbers are always visible.

To prepare the rack slip immediately after the registration of the guest is not always possible, as a number of persons may register in rapid succession. In order to avoid selling the same room again before the rack slip for the first guest has been inserted, various signal devices are used to indicate that a room is sold and awaiting the rack slip.

The Mail and Key Rack

The mail and key rack consist of a number of pigeonholes, one for each guest room, large enough to hold the room key and mail of ordinary size. It is usually exposed to view from the lobby, so that the guest can see his.

Reservation and Arrivals

In the small hotel, reservations received by mail are usually acknowledged by the manager. The correspondence is then turned over to the room clerk, who makes a record of it. An ordinary bound diary may be used for recording reservations, unless they are so numerous that the more flexible loose-leaf book or visible index file is more practicable. The room clerk enters in his reservation diary, under the date the guest is expected to arrive, the guest's name, a brief description of the kind of room desired, and the rate specified. Each night the reservations for the following day are recorded on cards of a distinctive color which are arranged in alphabetical order, either on a tray or in a separate reservation rack. As soon as the first room clerk comes on duty in the morning, he assigns such rooms as are available by transferring the reservation cards to the respective pockets in the room rack, at the same time marking on each reservation in the diary the number of the room assigned. As additional rooms are vacated, the remaining reservation cards are transferred to the room rack in the same manner, until all reservations are filled.

THE [illegible] OF [illegible]

[The following text is extremely faint and largely illegible due to the quality of the scan. It appears to be a formal document or report, possibly containing a title, a list of items, and several paragraphs of text. The text is arranged in a structured manner, with some lines indented. The overall content is too blurry to transcribe accurately.]

CHAPTER IV

RECORDS OF FRONT OFFICE AND CONTROL OF ROOM SALES

Record of Arrivals

Registration. The form used to record the guest's arrival and the sale of the room is the register. According to Horwath & Toth¹:

There are two forms of registers in general use, the sheet and the individual registration card. (For reasons of convenience in filing, and to minimize record keeping), the sheet register has been generally supplanted by the card from which will be the form illustrated and used in this work. Figure 1.

The room clerk who is held responsible for the legibility of all registrations is required to print the name above the signature if there is any doubt about the spelling or initials. Registrations of those who do not rent rooms because they cannot be given the kind of rooms desired, or who check out for any other reason, are marked by the room clerk "D.N.S.," meaning "did not stay." Such cancellations should be O.K'd by the manager.

Room Rates

In transient hotels operated on the European plan the room rates fixed by the management are for overnight occupancy. A guest may arrive at 6 A. M. and leave at 6 P. M. of the following day, occupying his room for 36 hours, or he may arrive at midnight and use the room only six

¹Horwath, E. B., and Toth, Louis, Hotel Accounting, Ronald Press Company, New York, 1948, p. 3

THE HISTORY OF THE CITY OF BOSTON

CHAPTER I

THE CITY OF BOSTON, situated on the neck of land between the harbor and the bay, is one of the most important cities in the United States.

It was first settled by the English in 1630, and has since that time been the seat of government and commerce for the New England States.

The city is bounded by the harbor on the south, by the bay on the east, and by the city of Cambridge on the north. It is one of the most beautiful cities in the world, and is the seat of the most important commerce in the United States.

The city is divided into four wards, and is governed by a mayor and a city council. It is one of the most important cities in the United States, and is the seat of the most important commerce in the United States.

CHAPTER II

The city of Boston is one of the most important cities in the United States, and is the seat of the most important commerce in the United States. It was first settled by the English in 1630, and has since that time been the seat of government and commerce for the New England States.

The city is bounded by the harbor on the south, by the bay on the east, and by the city of Cambridge on the north. It is one of the most beautiful cities in the world, and is the seat of the most important commerce in the United States.

The city is divided into four wards, and is governed by a mayor and a city council. It is one of the most important cities in the United States, and is the seat of the most important commerce in the United States.

Hotel Name				
No. _____				
Date March 1, 1948				
Name	John Jones			
Street	24 Walnut Street			
City	Waltham, Massachusetts			
Arrived	Room	Rate	Clerk	Departure
3/1/48	301	3--	REJ	3/3/48
Money, Jewels, and other Valuables must be placed in the safe at the Office; otherwise the Management will not be held responsible for any loss.				

Figure 1.

Individual Registration Card

hours; the price is usually the same in either case. Travelers rent hotel rooms primarily to sleep in during the night; consequently they have to pay the full price for the accommodation, regardless of how long they occupy the room during the preceding and following day.

Detailed Record of Room Sales

Margaret Pitcher² states:

Many small hotels use a room count book. In this book the room numbers are listed in a column next to the left-hand margin, in the same order as they appear on the room rack. Following the room rack there are two columns for each day of the month: one for the number of persons, and the other for the daily rates charged for the rooms. Each day the night clerk or the last clerk on duty lists in this book the number of persons and the daily room rate for each occupied room. The totals of these columns show how many persons are sleeping in the house that night and the total amount due from them for the rooms they are occupying, the latter being the amount of the room sales for the day. See Figure 2.

Housekeeper's Report

Despite all the efforts to safeguard the correctness of the detailed record of income from rooms prepared and summarized by the night clerk, errors may occur. In small hotels, where one person may act as room clerk, bill clerk, and cashier, there may be intentional omissions from all records. Some guests attempt to leave without paying their bills. Consequently, further proof of the correctness of the room report is

²Pitcher, Margaret E., Hotel Bookkeeping, Pitman & Sons, New York, 1948, p. 3

Month of March, 1948										
Room Number	March 1		2		3		4		5	
	Fixed Rate	Person	Rate	Persons	Rate	Persons	Rate	Persons	Rate	Persons
301	S 3	1	3							
302	D 4									
303	S 5									
304	D 7									
	S 2 $\frac{1}{2}$									
	D 3 $\frac{1}{2}$									
	S 6									
	D 8									

Figure 2. Room Count Book

provided in the form of the housekeeper's daily report of occupied rooms.

This report is prepared by the housekeeper the following morning on the basis of the maid's inspection of the rooms. The information as to occupancy and baggage in the rooms is summarized on the data sheet. This sheet contains a list of all room numbers followed by a small blank space for symbols to show the status of each room. (Figure 3). In most cases the following symbols give sufficient information:

- V Occupied, baggage in room
- X Occupied, no baggage
- B Baggage, room not occupied
- O Room out of order

"Occupied" refers to overnight occupancy, that is, someone slept in the room.

As one of the purposes of the housekeeper's report is to prevent intentional omission from the room income records, this report should be given to the accountant for auditing or to the manager if he acts as the accountant and auditor.

Form of Guest's Account

The account may be combined with the room rack slip, in which case the room rack also serves as the account file. A combination room rack slip and account card is illustrated in Figure 4 . This form has a stub attached to it which is intended for use in the information rack. Many hotels keep this form in duplicate, that is, have a folded form with perforated folded edge with carbon between the copies; then the guest can have the carbon copy as his receipt.

HOUSEKEEPER'S REPORT				
DAY Monday		DATE March 1, 1948		
Floor 3		Floor 4		
Rm. No.		Rm. No.		
301		401		
302		402		
303		403		
304		404		

Figure 3.

Housekeeper's Report

[Faint Title]			
[Faint Header 1]	[Faint Header 2]	[Faint Header 3]	[Faint Header 4]
[Faint Data 1.1]	[Faint Data 1.2]	[Faint Data 1.3]	[Faint Data 1.4]
[Faint Data 2.1]	[Faint Data 2.2]	[Faint Data 2.3]	[Faint Data 2.4]
[Faint Data 3.1]	[Faint Data 3.2]	[Faint Data 3.3]	[Faint Data 3.4]
[Faint Data 4.1]	[Faint Data 4.2]	[Faint Data 4.3]	[Faint Data 4.4]
[Faint Data 5.1]	[Faint Data 5.2]	[Faint Data 5.3]	[Faint Data 5.4]
[Faint Data 6.1]	[Faint Data 6.2]	[Faint Data 6.3]	[Faint Data 6.4]
[Faint Data 7.1]	[Faint Data 7.2]	[Faint Data 7.3]	[Faint Data 7.4]
[Faint Data 8.1]	[Faint Data 8.2]	[Faint Data 8.3]	[Faint Data 8.4]
[Faint Data 9.1]	[Faint Data 9.2]	[Faint Data 9.3]	[Faint Data 9.4]
[Faint Data 10.1]	[Faint Data 10.2]	[Faint Data 10.3]	[Faint Data 10.4]

[Faint Footer Text]

Arrive 3/1/48		Depart 3/3/48	
Date		3/1	3/2
Forward			5.75
Room	3.00		3.00
Rest	2.50		2.00
Tel.	.25		.20
Porter			
Cash			1.00
Adv.			
Total	5.75		10.95
Credit			
Balance	5.75		10.95

Room	Name	Rate	Date
301	Jones	3.00	3/1/48
No. 15063			
Departed		3/3/48	
Room	Name	Rate	Date
301	Jones	3.00	3/1/48
No. 15063			
Rate	3.00		

Guest's Account

Figure 4.



Posting to the Guest's Account

When the guest registers, the clerk merely opens an account by recording on it the name and residence of the guest, the date of arrival, and the rate.

The head waiter or person in charge of the dining room should see that signed waiter's checks (food orders) are brought to the front office for posting to the guest's account soon after the guest has been served.

The telephone switchboard in small hotels is generally in the front office. A telephone sheet is kept, and the clerk posts the guest's account directly from this traffic sheet.

As described in Uniform System of Accounts for Hotels:³

If the hotel has arrangements with a laundry and a tailor shop for serving the guests and billing the hotel weekly or monthly, a journal should be kept in the front office for recording the charges for such services. This journal serves at the same time as a basis for payments to the laundry and the tailor shop. If the hotel pays the laundry or tailor every time they render service to a guest, the disbursement is entered in the front office cash book and posted to the guest's account as a cash advance.

³Hotel Association of N. Y. City, Uniform System of Accounts for Hotels, 1946, p. 4.

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CHICAGO, ILLINOIS

Front Office Cash Sheet

Regardless of what kind of a bookkeeping system a hotel has a record of, the cash received and paid out at the front office must be kept (see Figure 5). The following explanation will clarify the use of the various columns.

Cash Received:

Acct. No.: This column is necessary only where numbered cards are used for guest's accounts.

Total Received: In this column should be entered the total amount of each cash receipt. As soon as the details of the amount received are entered in the following columns, the figures should be cross-added to make certain that the total is correct.

Rooms and Telephone: In these columns should be entered the amounts collected for room rents and for telephone service, respectively. If a room or telephone charge is reduced by an allowance or rebate, only the net amount should be entered here.

Laundry: The assumption was made in this illustration that the hotel does not do the guest's laundry but sends it out, and that the hotel does not pay for the laundry packages as they are received, but pays only once a week or whenever the outside laundry sends a bill. Under such circumstances all collections for laundry services from guests should be entered in this separate column, as here illustrated. If the front office pays for each guest's laundry package when it is received from the outside laundry, a separate column is not necessary, but the transaction should be recorded as a cash advance to the guest.

222

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Front Office Cash Sheet
March 1, 1948

Clerk--Blake

From 7 a.m. to 3 p.m.

Cash Received

Room No.	Acct. No.	Guest's Name	Total Received	Rooms	Telephone	Laundry	Cash Advances Collected	Sundries	
								Amt.	Explanation
103	3430	Leonard	\$11.95	\$ 8.00	\$.60	\$.80	\$2.55		
214	3442	Jones	2.25	1.50	.25		.50		
310	3428	Schwartz	1.60	1.50	.10				
110	3415	Stewart	22.70	14.00	1.75	1.60	5.35		
105	3433	Burke	2.00	2.00					
208	3428	Smith	2.35	1.50	.85		1.00		
112	3427	Jones	5.15	4.00	.15		7.35		
303	3240	Wells	30.95	22.00	1.60		1.50		
304	3241	Josephson	10.85	8.00	.70	.65			Commission
		Tailor	.25					\$.25	Store Rent
		Miss Burns	77.45					50.00	Restaurant
			56.50					83.95	Cigar Stand
			11.20					11.20	Scrap Sales
		Cohen	5.00					5.00	
			240.20	62.50	6.00	3.05	18.25	150.40	

Summary

Paid Out
Advances \$12.80
House Exp. 5.10
Net Receipts 222.30

Figure 5. Cash Received

Front Office Cash Sheet
March 1, 1948

From 7 a.m. to 3 p.m.

Clerk-Blake

Cash Paid Out

Room No.	Account No.	Guest's Name	Advances to Guests	Explanation	House Expense
110	3415	Stewart	\$.85	Restaurant	
204	3412	Williams	.75	Restaurant	
		Am. Exp.		Express Food	\$4.85
312	3419	Hall	1.00	Valet	
206	3426	Maples	1.60	Drug Store	
		Allens		Stationery	.25
107	3421	Walker	<u>8.60</u>	Telephone	
			12.80		<u>5.10</u>

Cash Advances to Guests: In this column should be entered all amounts collected from guests on the charges to their accounts which have been previously entered in the Advances-to-Guests column on the Cash Paid Out side of the Front Office Cash sheet.

Sundries: Cigars and newspapers are usually sold by the front office clerks in a small hotel. A small cash register may be used to record such sales. Each clerk should take the register readings upon beginning and completing his duties for the day, and should enter on his cash sheet as illustrated in Figure 5 , the difference between the readings, which is the amount of his cigar and newspaper sales. If there is no cash register, the amount of each cigar and newspaper sale should be entered on a sheet or in a book, and each clerk should enter the total amount of his sales on the Front Office cash sheet.

In this illustration, the front office clerks were assumed to collect the restaurant cash directly from the customers or from the waiters. The amount of each restaurant check should be entered on a separate sheet or in a book, and the total amount of restaurant cash received by each clerk should be recorded on the front office cash sheet. To save the use of a book, the restaurant checks may be kept and totaled to represent the total restaurant receipts.

Cash Paid Out:

Advances to Guests: When a payment is made for a guest, his room number, account number (if numbered cards are used), name, the amount paid for him, and the description or explanation of the payment should be entered in the columns provided for these purposes under the heading, Cash Paid Out, as illustrated in Figure 5. The true cash

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advances are amounts paid to guests as an accommodation, or paid for them to others for C. O. D. packages and telegrams.

In addition, cash advances are frequently made for services paid to some outsider by hotels not equipped to give a particular service. An example of this advance is valet service when the tailor delivers the garment. The details of the payment should be entered under the Cash Paid Out on the Front Office Cash sheet. However, the hotel often pays the tailor less than it charges the guest, the difference between the two amounts being the hotel's commission for calling for and delivering the garment. In such cases the simplest procedure is to enter as a cash paid out item the full amount chargeable to the guest, and to enter the amount of the commission as a cash receipt. These entries are illustrated in Figure 5. (an advance of \$1 to H. Hall, Room 312, for valet service, and a receipt of 25 cents as commission from the tailor). If the hotel does not pay the tailor for each garment as it is received, no entry is made on the cash sheet when the garment is delivered, but the guest's account is charged from the tailor's bill or from a charge ticket. In such a case, a separate column for Valet is necessary in the Cash Received section of the Front Office Cash sheet, in which are entered all collections for valet service in that column.

Restaurant charges may be recorded in one of two ways, according to the number of charge checks. If most guests pay for their meals when they are served and only a few meals a day have to be charged, the simplest procedure is to cash the charge checks at the front office and include both cash and charge sales in the cash receipts of

the restaurant; that is, the front office pays the checks and enters them as cash advances to guests. The first two entries in the Cash Paid out section of Figure 5 illustrate the recording of such advances.

If there are many charge checks in the restaurant, the Front Office Cash sheet should not be cluttered up with them, so as not to complicate the handling of the cash by entering them as advances. Instead, all restaurant checks should be entered on a standard form of restaurant cashier's sheet which has separate columns for cash and for charge checks. Figure 6. The guest's accounts should be charged from the charge checks which should be sent to the front office promptly, so that the entries on an account can be made before the guest checks out. Where the restaurant charge checks are not entered on the Front Office Cash sheet as advances to guests, a separate Restaurant column is necessary in the Cash Received section of the Front Office Cash sheet and in it are entered all collections for restaurant charges.

The following summary of these expenses is given by Horwath and Horwath:

House Expenses: It should be a general policy to pay all bills by check, and to draw a check for the amount of each payroll. Making such payments out of the front office cash drawer leads to confusion, looseness in handling cash, unnecessary complications, and waste of time in bookkeeping. The front office clerks should pay only small items of house expense that cannot conveniently be paid by check, such as express charges, occasional small purchases in neighboring stores, extra wages, and similar items. Such payments should be entered in the last column of the front office cash sheet, with the name of the person to whom the

RESTAURANT CASHIER'S SHEET									
Cashier or Clerk <u>Blake</u>						Date <u>March 1, 1948</u>			
Waiter's Number	Check Number	Number Persons	Cash Received	Guest's Name	Room Number	Charge	Food	Cigars	Sundry
20	151	2	2.50						
20	152	1		Jones	301	2.50	2.50		

Figure 6. Restaurant Cashier's Sheet

Date		Description		Amount	
1890	Jan 1	Balance		100.00	
	Feb 1	Interest		5.00	
	Mar 1	Interest		5.00	
	Apr 1	Interest		5.00	
	May 1	Interest		5.00	
	Jun 1	Interest		5.00	
	Jul 1	Interest		5.00	
	Aug 1	Interest		5.00	
	Sep 1	Interest		5.00	
	Oct 1	Interest		5.00	
	Nov 1	Interest		5.00	
	Dec 1	Interest		5.00	
1891	Jan 1	Balance		100.00	
	Feb 1	Interest		5.00	
	Mar 1	Interest		5.00	
	Apr 1	Interest		5.00	
	May 1	Interest		5.00	
	Jun 1	Interest		5.00	
	Jul 1	Interest		5.00	
	Aug 1	Interest		5.00	
	Sep 1	Interest		5.00	
	Oct 1	Interest		5.00	
	Nov 1	Interest		5.00	
	Dec 1	Interest		5.00	

payment was made and the explanation of the item in the preceding columns provided for these purposes. A bill or voucher should be filled out for each payment made.⁴

Each front office clerk should have a separate cash sheet and before going off duty he should rule off his sheet, add up his receipts and payments, deduct the total amount paid out from the total amount received, and turn over his net receipts, together with the bills and vouchers paid to the proprietor or the accountant. This summary is illustrated in Figure 5.

In order to keep the front office funds in balance with the least amount of work, the exact amount of the net receipts should be deposited in the bank daily. The few minutes required to make up the daily deposit will save many hours of work later.

⁴Horwath and Horwath, Simplified System of Accounts for Small Hotels, American Hotel Association of United States, New York, 1936, p. 36.

CHAPTER V

RECORDS AND CONTROL OF FOOD FOR THE RESTAURANT

Necessity for Control

Mr. E. Clarenback writes of the importance of food control:

In many small hotels the actual cost of raw material used in the kitchen is greater than the sum total of all other expenditures in conducting the hotel, including rent, payroll and all other items. Therefore, we should devote some attention to the control of this large expense. Large hotels devote much time, attention, and money to food costing, but even with this expense, most food cost systems are an approximation. This is because of the extreme difficulty of allotting labor costs to the preparation of the food. Often small hotels feel that they cannot afford the time or money to have any food control, so the illustrations in this work will show the least time consuming and least expensive plan, yet a plan that will in a way key the food costs with the food receipts.¹

The Storeroom

Everything in the manner of food that is purchased for the hotel should first be delivered to the storeroom which should be under lock and key and accessible to one person only. This person may be the manager, the chef, or the front office clerk. In some cases the accountant may have time to carry on this duty. If possible, the storekeeper should be the buyer. The storekeeper should check and weigh all material received and preferably should enter the same in a receiving book. See Figure 7. This receiving book is merely a book with

¹Clarenback, E., Clarenback's Hotel Accounting, Hotel Monthly Press, Chicago, Illinois, 1930, page 1.

THE HISTORY OF THE
CITY OF BOSTON

FROM 1630 TO 1800

BY JOHN H. COLEMAN, ESQ.

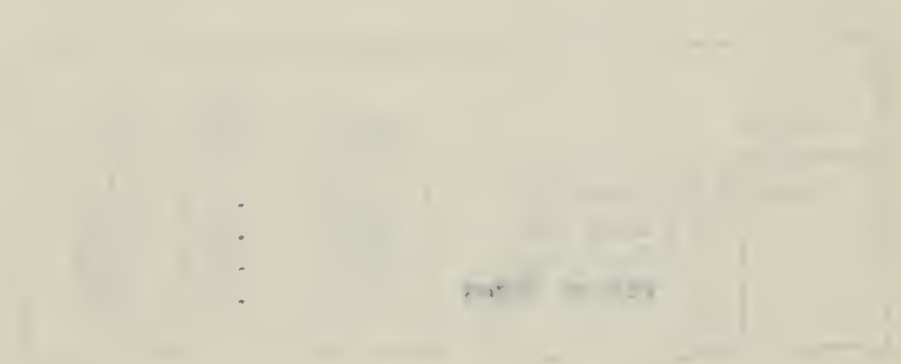
THE HISTORY OF THE CITY OF BOSTON, FROM 1630 TO 1800, is a work of great interest and value. It is a history of the city of Boston, from its first settlement in 1630, to the year 1800. The author, John H. Coleman, Esq., is a well-known historian and writer. The work is divided into two volumes. The first volume covers the period from 1630 to 1700, and the second volume covers the period from 1700 to 1800. The work is a comprehensive history of the city of Boston, and is a valuable work for anyone interested in the history of the city.

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1948			Pound	Unit Price	Total	
March	1	1 Prime Rib	33#	.20	6	60
		3 Lamb Rack	26#	.22	5	72
		1 Veal Leg	41#	.22	9	02
		Pitted Dates	9#	.16	1	44

Figure 7. Store Room Receiving Book



ruled lines in which can be recorded the date of receipt and the quantity and items received with their unit prices and extensions. The invoices, if they are received with the merchandise, are then given to the office of the accountant for recording. The food is issued by the storeroom to the kitchen and the dining room for the heads of the departments such as the chef, pastry cook, and head waiter only upon the receipt of a signed requisition. See Figure 8. These requisitions are held as receipts by the storekeeper. Each day the storekeeper should make a recapitulation of the requisitions from each department in preparation for entering into the storeroom book.

Storeroom Book

Radell's explanation follows:

The left-hand side of the storeroom book is ruled into columns, using one column for each department, the column headings written in to correspond with heads of departments to which the issues were made. See Figure 9. The chef's department has four subheads, Meats, Poultry, Fish, and General. The receipts from the dining room and banquets should be entered into the columns marked, receipts. Total issues to date are then divided by the total receipts to date from the dining room and banquets which will give the average dollar cost to date.²

The total issues to date for each department should then be divided by the corresponding total receipts to date which gives the per dollar cost of each department. This figure is entered in the columns next to the proper department issues columns. The sum of the several departments per dollar cost must equal the total per dollar cost already obtained.

²Radell, N. H., Accounting and Food Control, F. S. Crofts & Co., N. Y., 1935, page 34.

Dept. Chef - Meat			
Requisition			
Date March 1, 1948			
Storekeeper:			
Please supply following:			
Amt.	Articles		
13 $\frac{1}{2}$ #	Beef Shank	.09	1 22
16 #	Loin of Beef	.35	5 60
7 #	Bacon	.38	2 66
21 #	Roast Beef	.22	4 62
			<hr/> 25 70
Received in good condition L. K.			

Figure 8. Store Room Requisition

March 1948						
STOREROOM BOOK						
Issues to Chef						
		Meats	Poultry	Fish	General	Total
Inventory Balance						
March	1	25.70	9.24	4.03	8.33	47.30
	2	22.30	6.76	3.56	6.50	39.12
		48.00	16.00	7.59	14.83	86.42
	3	23.20	7.30	2.81	8.75	42.06
		71.20	23.30	10.40	23.58	128.48

Chef's per Dollar Cost	Issues to Pastry	Pastry Per Dollar Cost	Issues to Din. Room	Din. Rm. per Dollar Cost
.35	7.30	.05	3.63	.03
.35	5.90	.05	2.75	.03
	13.20		6.37	
.36	6.50	.05	1.74	.02
	19.70		8.11	

Issues to Pantry	Pantry per Dollar Cost	Issues Total	Total per Dollar Cost	Meals Count		
				Breakfast	Lunch	Dinner
7.50	.05	65.72	.48	12	35	42
5.61	.05	53.38	.48	21	58	48
13.11		119.10		33	93	90
6.10	.05	56.40	.48	27	56	46
19.21		175.50		60	149	136

Meals Count		Receipts			Total	Inventory
Banquets	Total	Din. Room	Banquets	Total	Purchases	
91	180	65.50	69.90	135.40		1200.00
56	183	87.50	22.75	110.25		1134.28
147	363	153.00	92.65	245.65		1080.90
84	218	81.15	34.70	115.85	500.00	1524.50
231	581	234.15	127.35	361.50		

Figure 9.

Store Room Book

Date		Time		Place		Remarks	
1900	10/1	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/2	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/3	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/4	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/5	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/6	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/7	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/8	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/9	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/10	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/11	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/12	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/13	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/14	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/15	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/16	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/17	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/18	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/19	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/20	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/21	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/22	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/23	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/24	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/25	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/26	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/27	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/28	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/29	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/30	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul
1900	10/31	10:00	11:00	St. Paul	St. Paul	St. Paul	St. Paul

These results should be sent to department heads each day.

In figuring the per dollar cost here, no allowances have been made for food served to employees, as in small hotels this allowance is at best a guess. When no allowance is made consistently from month to month and year to year, making of comparisons are just as valuable as when allowances are made. The column headed Meals Count can be used for keeping track of the number of meals served each day, which is excellent for periodic comparison. The per capita cost can be obtained by dividing the issues by the total number of guests served.

The last column indicates the inventory of the storeroom at the close of each day, after the total purchases have been added to inventory of previous day and the total issues deducted. At the close of a financial period the storekeeper should take an inventory of the storeroom which should equal within a few dollars the total of the inventory column on the storeroom book.

CHAPTER VI

SUMMARY CASH RECORDS

Cash Receipts Book

To determine how much cash was received from each source for the month, a record is kept in which the totals of the Front Office Cash sheets are entered each day. Such a record is the Cash Receipts Book, Figure 10. In it, space is also provided for entering cash receipts which do not go through the front office records.

The following explanations of the various columns will clarify the use of this record.

Date. As a rule only one line is required for each day, but if necessary, more than one may be used. The year and month should be written at the top of the date column.

Cash Received. In these columns entitled Rooms, Telephone, Laundry, and Cash Advances Collected, are entered the daily totals of the corresponding columns of the Front Office Cash Sheet.

The amounts entered in the columns Restaurant, Cigar Stand, Valet Commission, and Sundry Front Office Receipts are taken from the Sundries column of the Front Office Cash sheet. In the Cash Receipts Book it is necessary to have a separate column for restaurant, cigar stand, valet commission and other receipts which occur daily, or at least frequently, as otherwise the total receipts from these sources for the month could not be conveniently accumulated. Receipts that occur only occasionally are entered in the Sundry Front Office Receipts column of the Cash Receipts

CASH RECEIPTS BOOK								
Date 1948	Rooms	Tel.	Laundry	Cash Adv. Coll.	Rest	Cigar Store	Valet Comm.	
Mar. 1	62.50	6.00	3.05	18.25	83.95	11.20	.25	
2	73.00	2.40	1.65	10.30	70.15	13.25	.60	
31	50.75	4.30	.87	7.52	84.00	11.18	.75	
	2089.00	148.40	44.45	361.78	2700.65	390.19	14.95	

Sundry Front Office Rects.		Other Rects.		Total	Adv. to	House	Total	Net
Amount	Explanation	Amount	Expl.	Rects.	Guests	Exp.	Pd. Out	Receipt Dep.
50.00	Store Rent			240.20	12.80	5.10	17.90	222.30
5.00	Scrap Sales			171.35	9.65	2.74	12.39	158.96
		2,000	Bank Loan	2000.00		Int 25.00	25.00	1975.00
				159.37	11.35	1.73	13.28	146.09
		2000.00		7868.92	388.29	83.82	472.11	7396.81

Figure 10. Cash Receipts Book

Book, with proper explanation of each item, as illustrated in Figure 10.

Other Receipts. This column is provided for the cash receipts that do not go through the front office and are not entered on the Front Office Cash sheet. Examples of such receipts are money borrowed, additional amounts invested in the business by the proprietor, tax refunds, and similar extraordinary items.

Total Receipts. The total of all amounts recorded in the preceding columns should be entered in this column. This total is usually the same as that of the Total Received column of the Front Office Cash sheet, except when some extraordinary item, entered in the other Receipts column here, is added to the front office receipts.

Cash Paid Out. The amounts entered in these columns, Advances to Guests, and House Expense, are taken from the corresponding columns of the Front Office Cash sheet. The House Expense column should be used also for recording the amount of interest deducted by the bank when the hotel borrows money. See the entry under the date of March 2, Figure 10, illustrating what entry is made when the hotel borrows \$2,000 on a note and the bank deducts \$25 for interest and credits \$1,975 to the hotel's account.

Total Paid Out. In this column is entered the total of the two amounts in the Advances to Guest and House Expense columns.

Net Receipts Deposited. Here should be recorded the difference between Total Receipts and Total Paid Out. As has already been mentioned, it is important that the exact amount of the net receipts entered in this column be deposited daily. The net receipts of Saturday and Sunday should be deposited separately on Monday. In this manner,

At present, the only way to get a good idea of the
state of the world is to look at the news. The news
is the only source of information that is not
biased. It is the only source of information that
is not distorted. It is the only source of information
that is not manipulated. It is the only source of
information that is not controlled.

The news is the only source of information that
is not biased. It is the only source of information
that is not distorted. It is the only source of
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the amounts appearing in the last column of the Cash Receipts book will be exactly the same as those in the pass book and on the bank statement; and when checking the bank balance at the end of the month it will be easier to locate any error that may have been made in the cash account.

When the last entry for the month has been made, each column should be totaled and the correctness of the column totals proved. The proofs of the mathematical correctness of the entries and the column totals are:

- (1) The total of all the Cash Received columns must equal the Total Receipts column;
- (2) The total of the Advances to Guests and the House Expense column must equal the Total Paid Out column; and
- (3) The difference between the Total Receipts and the Total Paid Out columns must equal the Net Receipts Deposited column.

Cash Disbursements Book

In addition to having an orderly record of cash receipts, it is necessary to keep a systematic account of all payments made in cash or by check. For this purpose is provided the Cash Disbursements Book illustrated in Figure 11. And because it is important to know not only how much is paid out, but also for what purposes the payments are made, a number of analysis columns are provided. While this is primarily a record of the checks drawn on the hotel's bank account, it also serves as a convenient place for classifying the payments made for house expenses in the front office.

CASH DISBURSEMENTS BOOK

Date	Name	Ck. No.	Amount of Check	Cash Paid at Front Off.	Accounts Payable	Food Cost	Cigar Stand Cost	Payroll			
								Amount	Dept.	Deductions (Gr.)	W. Tax (Cr.)
1948 Mar.	1 Front Office	4		5.10		1.35		3.50	Food		
	2 City Treasurer	43	1,050.00								
	2 Jones Market	44	117.60		117.60						
	3 Peters' Wld.	45	500.00			500.00					
	31 Payroll	90	659.54					228.00	Rooms	2.28	10.00
								300.00	Food	3.00	12.00
								100.00	General	1.00	5.00
								67.50	H.L. & P.	.68	2.00
			5,309.03	83.82	560.00	940.00	255.00	1,427.85		14.27	25.73
Unpaid Bills March 31, 1948											
Date Paid											
	Bell Telephone				165.00						
	Reliable Laundry				38.85						
	City Gas				42.00						
	Jones Market				29.60	29.60					
					798.60	186.10	296.75				

Figure 11. Cash Disbursements Book

Room Expense	Food Expense	General Expense	Heat, Light & Power	Repairs and Maintenance	Sundries	
					Amount	Explanation
		0.25			1,050.00	Taxes 1/2 yr.
						Recapitulation Amount Explanation 1,050.00 Real Est. Tax 82.00 Insurance 130.00 Furniture 23.00 Guests' Laundry 65.00 Advertising 25.00 Interest on N.Pay.
195.00	190.00	115.00	210.00	165.00	1,375.00	
18.00	12.00 42.00					165.00 Telephone 8.85 Guests' Laundry
						Recapitulation Amount Explanation 80.00 Laundry 165.00 Telephone Cost 8.85 Guest Laundry 16.00 Advertising
27.75	69.60	24.50	60.00	22.50	269.85	

The first entry in Figure 11 illustrates how front office payments are entered and classified. The summary of the house expenses in Figure 11 shows that on March 1 payments were made at the front office as follows:

Express charges on food	\$1.35
Stationery	.25
Payroll, Food Dept.	3.50
Total	<u>\$5.10</u>

In Figure 11 the total amount of these payments is entered in the Cash Paid at Front Office column; then the classification is made. The \$1.35 is entered in the Food Cost column, because the express charges are part of the cost of food delivered by the express company. The \$3.50 is recorded in the Payroll column, with the notation that it was paid out for the Food Department. Finally, the 25 cents paid out for stationery is entered in the General Expense column.

Payments made by check are classified in the same manner, the total amount of each check being first entered in the Amount of Check column.

The Date, Name and Check Number column in Figure 11 require no explanations. The other columns should be used as follows:

Amount of Check. As already mentioned, the amount of each check drawn should be entered here. Thus the total of this column will be the amount of cash withdrawn from the bank during the month.

Cash Paid at Front Office. As previously mentioned, the total amount of the payments made for house expenses at the front office is entered here each day. Therefore, the entries in this column will be the same as in the House Expense column of the Cash Receipts book, Figure 11.

Each payment entered in one of the two preceding columns is classified in the other columns in accordance with the following explanations:

Accounts Payable. Amounts paid for bills which have been entered in the list of unpaid bills at the end of the preceding month.

Care should be taken to see that the amounts entered in this column are the same as those recorded on that list. If, for instance, the amount due a food dealer has been entered in the list of unpaid bills at \$45 and it is found at the time of payment in the following month that the correct amount was \$52, still only \$45 should be entered in the Accounts Payable column, and the balance of \$7 in the Food Cost column. The list of unpaid bills will be explained further on.

Food Cost. Payments for food purchased, including cost of delivery, freight, express charges, and cartage are listed here.

Cigar Cost. Payments for cigars, cigarettes, and for all other merchandise sold at the cigar stand belong here.

Payroll. Included in this column are all salaries and wages in the gross amount, with a notation in the Department column of the department to which the payment should be charged, even though several lines may be required for this information. The Deduction columns record the social security, old age, and income tax withholdings, and any other necessary deductions from the employees' salaries. These columns represent credits which reduce the gross pay to equal the net amount paid in cash.

The following employees should be charged to the various departments:

Rooms: room clerks, bellman, elevator operators, house-keeper, maids, housemen.

Food: kitchen crew, dining room crew.

General Expense: manager, accountant, stenographer, telephone operator.

Heat, Light & Power: engine room employees.

Repairs & Maintenance: carpenters, painters, and other employees doing repair and maintenance work.

Room Expense. Expenses included in room expense are uniforms of the department's employees; laundry (room linen); linen replacements; china and glassware for bedrooms, cleaning supplies; dry cleaning for bedrooms and lobby; all supplies furnished to guests (soap, writing paper, ink, etc.); and other expenses applicable directly to guest rooms and lobby.

Food Expenses. Here are uniforms of waiters and cooks; music in dining room; laundry (restaurant linen); replacements of linen, china, glassware, silverware, and kitchen utensils; cleaning supplies; exterminating costs; dry cleaning (dining room); paper supplies; kitchen fuel; menus; waiter's checks; and other expenses directly applicable to food operations.

General Expense. This column lists such items as these: printing and stationery (except menus and waiter's checks); subscriptions to trade papers; dues of organizations, such as Chamber of Commerce, Kiwanis, Lions, etc.; postage and telegrams; traveling expenses; lawyer's and accountant's fees; payments for lost and damaged articles of guests; bad checks; and other expenses that do not apply directly to any other department.

Heat, Light and Power. Electricity, fuel, electric bulbs, water, ice, engine room supplies, and removal of ashes are classified here.

Repairs and Maintenance. Repairs of furniture, bed springs, mattresses, pillow, blankets, carpets, rugs, curtain, draperies, scarves, window shades, screens, awnings, electrical and mechanical equipment, elevators, all building repairs, and also all painting and decorating. But the cost of new furniture, even if it is purchased as a replacement, should be entered in the Sundries column and marked Furniture.

Sundries. All items for which no separate column is provided are placed here. The usual items in this column are these: telephone bill, insurance premiums, advertising bills, taxes, furniture purchases, interest, building improvements, repayment of loans, and the cost of guests' laundry (provided guests' laundry charges are not treated as cash advances). The nature of each item entered here should be indicated in the Explanation column. When the Cash Disbursements Book is totaled, this column should be summarized below its total, as illustrated in Figure 11.

When all payments made during the month have been entered, each column of the cash disbursements should be totaled. If there is no mathematical error in the entries and all the column totals are correct, the total of the Amount of the Check and Cash Paid at Front Office columns will equal the total of all other columns.

In the illustration, Figure 11, only a few sample entries are given, but the totals are based on a complete set of entries for the month. Note that the total given for the Cash Paid at Front Office column is the same as the total of the House Expense column in Figure 5 .

The forms so far discussed give the hotel proprietor a complete record of all cash transactions. But the hotel business is not strictly a cash business and it is impossible to prepare a true statement of the operations from the cash records alone. For one thing, the cash receipts record does not show the true amount of income from various sources. The cash received in any one month includes some room and other income earned during the preceding month; on the other hand, the cash receipts do not include income earned but not yet collected.

Therefore, in order to find out what the hotel really earned, it is necessary to know not only how much cash was collected, but also what is owed by guests at the end of each month. On the morning of the first day of the month the clerk on duty goes over all the guests' accounts and takes an inventory of the accounts by recording on a Front Office Cash sheet, or on any columnar sheet how much each guest owes, that is, what he would pay if he checked out that morning before making any charges for that day. The entries in this inventory are made exactly in the same manner as on the Front Office Cash sheet. The following illustration, which includes only a few sample entries but gives the total of all accounts, shows how this inventory of the accounts receivable should be made up:

INVENTORY OF ACCOUNTS RECEIVABLE AT MARCH 31, 1948

Room No.	Acct. No.	Name	Total	Rooms	Tel. .	Ldy.	Cash Adv.
101	4182	Meyer	2.00	2.00			
104	4190	Marshall	4.50	2.50	.20		1.80
105	4174	Walsh	10.00	6.00	.30	1.00	2.70
106	4178	Reichel	3.20	2.50			.70
109	4187	Shea	3.17	1.50		1.17	.50
412	4156	Bostwich	4.38	3.00	.80	.58	
414	4172	Kranz	8.90	6.00	.20		2.70
			<u>180.73</u>	<u>110.50</u>	<u>15.15</u>	<u>13.33</u>	<u>41.75</u>

The first part of the paper is devoted to a general discussion of the problem of the existence of solutions of the system of equations (1) for arbitrary values of the parameters $\alpha, \beta, \gamma, \delta, \epsilon, \zeta, \eta, \theta, \iota, \kappa, \lambda, \mu, \nu, \xi, \omicron, \pi, \rho, \sigma, \tau, \upsilon, \phi, \chi, \psi, \omega, \kappa, \lambda, \mu, \nu, \xi, \omicron, \pi, \rho, \sigma, \tau, \upsilon, \phi, \chi, \psi, \omega$. It is shown that the system (1) has solutions for arbitrary values of the parameters $\alpha, \beta, \gamma, \delta, \epsilon, \zeta, \eta, \theta, \iota, \kappa, \lambda, \mu, \nu, \xi, \omicron, \pi, \rho, \sigma, \tau, \upsilon, \phi, \chi, \psi, \omega$ if and only if the conditions (2) are satisfied. The conditions (2) are necessary and sufficient for the existence of solutions of the system (1) for arbitrary values of the parameters $\alpha, \beta, \gamma, \delta, \epsilon, \zeta, \eta, \theta, \iota, \kappa, \lambda, \mu, \nu, \xi, \omicron, \pi, \rho, \sigma, \tau, \upsilon, \phi, \chi, \psi, \omega$.

In the second part of the paper, the problem of the existence of solutions of the system (1) for arbitrary values of the parameters $\alpha, \beta, \gamma, \delta, \epsilon, \zeta, \eta, \theta, \iota, \kappa, \lambda, \mu, \nu, \xi, \omicron, \pi, \rho, \sigma, \tau, \upsilon, \phi, \chi, \psi, \omega$ is solved. It is shown that the system (1) has solutions for arbitrary values of the parameters $\alpha, \beta, \gamma, \delta, \epsilon, \zeta, \eta, \theta, \iota, \kappa, \lambda, \mu, \nu, \xi, \omicron, \pi, \rho, \sigma, \tau, \upsilon, \phi, \chi, \psi, \omega$ if and only if the conditions (3) are satisfied. The conditions (3) are necessary and sufficient for the existence of solutions of the system (1) for arbitrary values of the parameters $\alpha, \beta, \gamma, \delta, \epsilon, \zeta, \eta, \theta, \iota, \kappa, \lambda, \mu, \nu, \xi, \omicron, \pi, \rho, \sigma, \tau, \upsilon, \phi, \chi, \psi, \omega$.

In the third part of the paper, the problem of the existence of solutions of the system (1) for arbitrary values of the parameters $\alpha, \beta, \gamma, \delta, \epsilon, \zeta, \eta, \theta, \iota, \kappa, \lambda, \mu, \nu, \xi, \omicron, \pi, \rho, \sigma, \tau, \upsilon, \phi, \chi, \psi, \omega$ is solved. It is shown that the system (1) has solutions for arbitrary values of the parameters $\alpha, \beta, \gamma, \delta, \epsilon, \zeta, \eta, \theta, \iota, \kappa, \lambda, \mu, \nu, \xi, \omicron, \pi, \rho, \sigma, \tau, \upsilon, \phi, \chi, \psi, \omega$ if and only if the conditions (4) are satisfied. The conditions (4) are necessary and sufficient for the existence of solutions of the system (1) for arbitrary values of the parameters $\alpha, \beta, \gamma, \delta, \epsilon, \zeta, \eta, \theta, \iota, \kappa, \lambda, \mu, \nu, \xi, \omicron, \pi, \rho, \sigma, \tau, \upsilon, \phi, \chi, \psi, \omega$.

In the fourth part of the paper, the problem of the existence of solutions of the system (1) for arbitrary values of the parameters $\alpha, \beta, \gamma, \delta, \epsilon, \zeta, \eta, \theta, \iota, \kappa, \lambda, \mu, \nu, \xi, \omicron, \pi, \rho, \sigma, \tau, \upsilon, \phi, \chi, \psi, \omega$ is solved. It is shown that the system (1) has solutions for arbitrary values of the parameters $\alpha, \beta, \gamma, \delta, \epsilon, \zeta, \eta, \theta, \iota, \kappa, \lambda, \mu, \nu, \xi, \omicron, \pi, \rho, \sigma, \tau, \upsilon, \phi, \chi, \psi, \omega$ if and only if the conditions (5) are satisfied. The conditions (5) are necessary and sufficient for the existence of solutions of the system (1) for arbitrary values of the parameters $\alpha, \beta, \gamma, \delta, \epsilon, \zeta, \eta, \theta, \iota, \kappa, \lambda, \mu, \nu, \xi, \omicron, \pi, \rho, \sigma, \tau, \upsilon, \phi, \chi, \psi, \omega$.

TABLE I

Parameter	Value	Condition	Result
α	1	(2)	Yes
β	2	(3)	No
γ	3	(4)	Yes
δ	4	(5)	No
ϵ	5	(2)	Yes
ζ	6	(3)	No
η	7	(4)	Yes
θ	8	(5)	No
ι	9	(2)	Yes
κ	10	(3)	No
λ	11	(4)	Yes
μ	12	(5)	No
ν	13	(2)	Yes
ξ	14	(3)	No
\omicron	15	(4)	Yes
π	16	(5)	No
ρ	17	(2)	Yes
σ	18	(3)	No
τ	19	(4)	Yes
υ	20	(5)	No
ϕ	21	(2)	Yes
χ	22	(3)	No
ψ	23	(4)	Yes
ω	24	(5)	No

In order to get a correct picture of the financial condition of the hotel and the results of its operations for any month, it is also necessary to know what bills the hotel owes and for what purpose it incurred these debts. All the bills unpaid at the end of the month should be listed on a separate sheet of the Cash Disbursements book or, if there is room, at the bottom of the page of the current month's disbursements. They should be listed in same manner as if they were being paid, except that the total amount of the bill is entered in the Accounts Payable column, and not in the amount of the Check column. Any discount allowed on the bill (if the bill is to be paid within cash discount period) should be deducted, and only the net amount payable entered.

At the bottom of Figure 11 can be found how the list of unpaid bills should be prepared. Here again only a few entries are given as examples, but the totals are those of the complete list.

With the aid of the Cash Disbursements book and the list of unpaid bills, the cost of food, and cigar merchandise purchased can be determined. But in order to find out what the results of operation are, the proprietor should know how much merchandise was consumed. The only way to find that out is to take inventories. Inventories must be taken of all food and cigar stand merchandise at the end of each month or financial period. A special form is not essential for this purpose, although the inventory books supplied by hotel stationers are very helpful.

The food inventory should include not only the food in the storeroom, but also the food in the kitchen ice boxes. For all practical purposes it is satisfactory to price inventories at current market prices.

CHAPTER VII

GENERAL LEDGER ACCOUNTS

The following are the general ledger accounts of an average 100-room hotel with balances at February 28, 1948

1 Cash on Hand	200.00	
2 Cash in Bank	237.00	
3 Petty Cash		
4 Accounts Receivable - Cash Advances	15.24	
5 Accounts Receivable - Other	202.98	
6 Inventories	540.00	
7 Deposits with Public Services Companies	50.00	
8 Prepaid Insurance	132.50	
9 Prepaid Real Estate Taxes		350.00
10 Prepaid Telephone Rental	75.00	
11 Land	15,000.00	
12 Building	126,000.00	
13 Reserve for Depreciation of Bldg.		36,000.00
14 Furniture and Equipment	18,000.00	
15 Reserve for Furniture & Equipment		6,000.00
16 China, Glass, Silver, Linen	2,300.00	
17 Notes Payable		
18 Accounts Payable		560.00
19 Accrued Payroll		
19a - Social Security Taxes O.A. Deductions		
19b - Withholding Tax Deductions		
19c - Social Security Taxes Payable		
20 Accrued Interest on Mortgage		250.00
21 Mortgage		50,000.00
22 Capital Stock		60,000.00
23 Surplus		9,592.72
24 Profit and Loss		
	<u>162,752.72</u>	<u>162,752.72</u>
25 Room Sales		
26 Room Payroll		
27 Room Expense		
28 Food Sales		
29 Food Cost		
30 Food Payroll		
31 Food Expense		
32 Cigar Stand Sales		
33 Cigar Stand Cost		
34 Telephone Sales		
35 Telephone Cost		
36 Other Income		
37 General Expenses		
38 Advertising		
39 Heat, Light & Power		
40 Repairs & Maintenance		
41 Store Rentals		
42 Real Estate Taxes		
43 Other Taxes		
44 Insurance on Bldg. & Contents		
45 Interest on Mortgage		
46 Interest on Notes Payable		
47 Depreciation on Bldg.		
48 Depreciation on Furn. & Equipment		

The accounts used here for illustration are carried through to the Final Balance sheet and Profit and Loss statement. So that the transaction may be completed, the balances of the Asset and Liability account as of February 28, 1948, are also listed.

The following discussion will clarify the use of some of the accounts which are peculiar to hotels or to the system of bookkeeping herein described.

Cash on Hand. There should be a fixed amount of cash on hand at the front office at the beginning of each day. If this fund has to be increased, a check should be made out, cashed at the bank, and charged to this account.

Petty Cash. This is a so-called "wash account." It is used merely for the convenience of balancing entries. Note that the total amount of house expenses paid in cash is charged to this account from the House Expense column of the Cash Receipts book Figure 10 and credited from the Cash Paid at Front Office column of the Cash Disbursements book.

Figure 11.

Accounts Receivable - Cash Advances, and

Accounts Receivable - Other. While these are essentially one asset, it is better to separate them into two accounts if the simple system herein described is followed. The first results from cash transactions and is a controlling account. The balance of the second is based on the inventory or list of accounts receivable. The details of Accounts Receivable - Other are:

Due for:	Rooms	\$174.50
	Telephone	13.15
	Guests' Laundry	15.33
		<u>\$202.98</u>

It is a common notion that the world is a vast, empty space, and that the only way to find out what is out there is to go and look. But this is not true. The world is a complex, interconnected system, and the only way to understand it is to study it carefully and thoughtfully.

One of the most important things to remember is that the world is not a static thing. It is always changing, and the only way to keep up with the changes is to be constantly learning and growing.

Another important thing to remember is that the world is not a simple thing. It is a complex system, and the only way to understand it is to study it carefully and thoughtfully.

Finally, it is important to remember that the world is not a place where we can go and find answers. The world is a place where we can go and find questions, and the only way to find answers is to ask questions and seek out the truth.

Yours truly,
[Signature]

Inventories. The details of this account are:

Food	450.00
Cigar Stand	90.00
	<u>540.00</u>

Deposits with Public Service Companies. Hotels, like other consumers, often have to make a deposit with electric and gas companies as security for the payment of their bills.

Prepaid Real Estate Taxes. This account has a credit balance, which indicates that it is an accrued expense, not a prepayment. It is not necessary to have a separate accrual account when this condition exists, because if the taxes are paid when due, they are prepaid most of the year. The credit balance here is the tax accrued for two months.

Prepaid Telephone Rental. Telephone companies as a rule bill the rental charge for equipment in advance. In this case the bill for February, which is included in the accounts payable, includes the equipment rental for March. Hence, it is necessary to have this account, the balance of which remains the same unless there is some change in the hotel's equipment or rental rates.

China, Glass, Silver, and Linen. This equipment should never be merged with the furniture and equipment account. Because these articles are constantly being replaced, the group should never be written down to less than half its original cost. All replacements should be charged as operating expenses.

THE HISTORY OF THE

REIGN OF
HENRY THE SEVENTH

OF ENGLAND
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CHAPTER VIII

POSTING CASH BOOKS AND UNPAID BILLS AND ADJUSTMENTS

After having read all the explanation up to this point, the book-keeper should have no difficulty in posting the total of the Cash Receipts book, the Cash Disbursements book, and the list of unpaid bills. Of course, he must first satisfy himself that the three records are satisfactorily prepared.

The totals of these three records are summarized here in journal form. The number in parentheses preceding each amount is that of the general ledger account to which that amount should be posted.

Summary of Cash Receipts Book

Name of Account	Acct. No.	Dr.	Cr.
Cash in Bank	(2)	7,396.81	
Advances to Guests	(4)	388.29	
Petty Cash	(3)	83.82	
Room Sales	(25)		2,089.00
Telephone Sales	(34)		148.40
Other Income (Guests' Ldy)	(36)		44.45
Advances to Guests	(4)		361.78
Food Sales	(28)		2,700.65
Cigar Stand Sales	(32)		390.19
Other Income (Valet Comm.)	(36)		14.95
Other Income (Sundries)	(36)		19.50
Store Rentals	(41)		100.00
Notes Payable	(17)		2,000.00
		<u>7,868.92</u>	<u>7,868.92</u>

Summary of Cash Disbursements Book

Name of Account	Acct. No.	Dr.	Cr.
Accounts Payable	(18)	560.00	
Food Cost	(29)	940.00	
Cigar Cost	(33)	255.00	
Rooms Payroll	(26)	465.75	
Food Payroll	(30)	627.10	
General Payroll	(37)	200.00	
Heat, Light, and Power Payroll	(39)	135.00	
Room Expense	(27)	195.00	
Food Expense	(31)	190.00	
General Expense	(37)	115.00	
Heat, Light and Power	(39)	210.00	
Repairs and Maintenance	(40)	165.00	
Prepaid Real Estate Taxes	(9)	1,050.00	
Prepaid Insurance	(8)	82.00	
Furniture and Equipment	(14)	130.00	
Other Income (Guests' Ldy. Cost)	(36)	23.00	
Advertising	(38)	65.00	
Interest on Notes Payable	(46)	25.00	
Social Security O. A. Dedt.	(19a)		14.27
Withholding Tax Deductions	(19b)		25.73
Cash in Bank	(2)		5,309.63
Petty Cash	(3)		83.82
		<u>5,432.85</u>	<u>5,432.85</u>

Summary of Unpaid Bills

Name of Account	Acct. No.	Dr.	Cr.
Food Cost	(29)	296.75	
Cigar Cost	(33)	27.65	
Room Expense	(27)	27.75	
Food Expense	(29)	69.60	
General Expense	(37)	24.50	
Heat, Light and Power	(39)	60.00	
Repairs and Maintenance	(40)	22.50	
Furniture and Equipment	(14)	80.00	
Telephone Cost	(34)	165.00	
Other Income (Guests' Ldy. Cost)	(36)	8.85	
Advertising	(38)	16.00	
Accounts Payable	(18)		798.60
		<u>798.60</u>	<u>798.60</u>

Adjustments

Adjustment of Accounts Receivable. It has already been explained that, in order to determine the amount of income earned, it is necessary to adjust the cash sales. The first adjustment, Journal Entry No. 1, takes out of sales the income which had accrued before the beginning of the month. The second adjustment, Journal Entry No. 2, adds to the sales the income which was earned during the month but was not collected. This second adjustment was based on the inventory of accounts receivable illustrated heretofore, but the amount of cash advances due from guests is excluded because this item already appears in the general ledger, both the cash advances made and the cash advances collected during the month having been posted from the Cash Receipts book. In these journal entries, as well as in those that follow, the figure in parentheses before each amount is the number of the general ledger account to which that amount should be posted.

(1) Room Sales	(25)	174.50	
Telephone Sales	(34)	13.15	
Other Income (Guests' Ldy.)	(36)	15.33	
Accounts Receivable - Other	(5)		202.98
To reverse accounts receivable as of February, 1948			
(2) Accounts Receivable - Other	(5)	138.98	
Room Sales	(25)		110.50
Telephone Sales	(34)		15.15
Other Income (Guests' Ldy.)	(36)		13.33
To record accounts receivable as of March 31, 1948			

It will be noted that, after the Cash Receipts book has been posted, the balance of the Accounts Receivable--Cash Advances, is exactly the same as the total of the cash advances in the inventory of accounts receivable. This will, of course, always be the case if all

the entries on the guests' accounts and on the Front Office Cash sheets have been correctly made. However, only too often errors creep in and cause a difference between the ledger account balance and the total amount of the advances listed in the inventory of account receivable. An attempt should be made to locate the difference, first by checking the correctness of the inventory, and then by checking the cash advance items from the Front Office Cash sheets to the guests' accounts. In any event, the ledger account should be adjusted to show the same balance as the inventory. Small adjustments of this nature may be made against general expense. If the differences are frequent and in amounts important enough to record on a separate account, there should be opened an account, Difference in Cash Advances.

Adjustments of Inventories. These adjustments require no further explanation. It is simpler first to reverse the opening entry for inventory and then record the closing inventory in a separate entry, as is illustrated in Journal Entry No. 3 and 4, than merely to adjust the differences between the two inventories in one entry.

(3)	Food Cost	(29)	450.00	
	Cigar Cost	(33)	90.00	
	Inventories	(6)		540.00
	To reverse inventories of February 28, 1948			
(4)	Inventories	(6)	592.50	
	Food Cost	(29)		512.50
	Cigar Cost	(33)		80.00
	To record inventories of March 31, 1948			

Other Journal Entries for adjusting. The other journal entries required to adjust the accounts illustrated here are:

(5)	Real Estate Taxes	(42)	175.00	
	Prepaid Real Estate Taxes	(9)		175.00
	To record real estate expense for March, 1948			

(6)	General Expense (Insurance)	(37)	25.00	
	Insurance on Bldg. & Contents	(44)	40.00	
	Prepaid Insurance	(8)		65.00
	To record insurance expense for March, 1948			
(7)	Interest on Mortgage	(45)	250.00	
	Accrued Interest on Mort.	(20)		250.00
	To record interest for March, 1948 on \$50,000 mortgage at the rate of 6% a year.			
(8)	Depreciation of Building	(47)	300.00	
	Reserve for Dep. of Bldg.	(13)		300.00
	To record depreciation based on book value of \$90,000 and estimated remaining life of 25 years.			
(9)	Depreciation of Furn. & Equip.	(48)	150.00	
	Reserve for Dep. of F. & E.	(15)		150.00
	To record depreciation based on \$18,000 cost at the rate of 10% a year.			

In entry No. 5, the real estate expense for the month is recorded.

The cost of workmen's compensation, public liability, burglary, elevator liability, and, in fact, all other insurance, with the exception of insurance on the building and equipment, should be charged to general expense. Insurance on building and equipment is chargeable to Insurance on Building and Contents account; it includes fire, tornado, sprinkler leakage, boiler explosion, and plate glass insurance. All insurance policies should be listed on a sheet with columns provided for the name of the insurance company, policy number, kind of insurance, effective and expiration dates, amount of insurance, amount of premium, and a separate column for each month in which the premium chargeable in that month is entered. With such an insurance record kept up to date, it is a simple matter to make the entry illustrated as No. 6.

The explanation following Entry No. 7 does not require further clarification.

The average useful life of a hotel building is about 35 years. In the illustration here it is assumed that the building was 10 years old on March 1, and Entry No. 8 is based on that assumption. Basing the depreciation charge of a fixed percentage of the cost often leads to errors. The proper way to calculate building depreciation is to divide the book value (cost less depreciation reserve) as at the beginning of the month, by the number of months of remaining useful life. By this method the cost of additions and improvements will be written off at the same date as the original cost of the building.

Hotel furniture and equipment is usually depreciated at the rate of 10 per cent a year, although many hotel men claim that the rate should be higher. Entry No. 9 is based on the 10 per cent rate.

Another adjustment that can be made monthly or at the end of every quarter of a year (March 31, June 30, September 30, December 31), is that for Social Security Taxes Payable. Since these figures and taxes may vary due to changing tax laws, both Federal and State, no lengthy discussion nor figures are presented. However, at the present writing, the proprietor is liable on every payroll dollar for Social Security Old Age Taxes of one per cent (equal to that of employee), two and seven-tenths per cent Unemployment Compensation Tax payable to the State (unless merit rating prevails), and three-tenths per cent Unemployment Compensation Tax to the Federal Government (payable yearly). The entry to express the tax liability for current wages paid would be:

General Expenses (S. S. Taxes)

Social Security Taxes Payable

To show the liability for social security taxes
on wages paid to date as follows:

S. S. O. A. Federal $1\% \times$ wages paid =

U. Comp., State 2.7% x wages paid =

U. Comp., Federal .3% x wages paid =

When taxes are paid at the required time at the end of each quarter of a year as expressed above, the following entry would result:

Social Security Tax Deductions

Social Security Taxes Payable

Cash

To show the payment of the social security tax liability to the Federal and State Governments.

1. The results of the study are as follows:

The study was conducted in the following manner: a group of 100 subjects was selected from a population of 1000. The subjects were divided into two groups of 50 each. The first group was given a treatment and the second group was given a placebo. The results of the study are as follows:

The first group, which received the treatment, showed a significant improvement in the following areas:

- 1. The first group showed a significant improvement in the following areas:
- 2. The first group showed a significant improvement in the following areas:
- 3. The first group showed a significant improvement in the following areas:

The second group, which received the placebo, showed no significant improvement in the following areas:

- 1. The second group showed no significant improvement in the following areas:
- 2. The second group showed no significant improvement in the following areas:
- 3. The second group showed no significant improvement in the following areas:

CHAPTER IX

STATEMENTS AND STATISTICS

Statements

After all the foregoing entries are posted, the result is the balance sheet and the profit and loss statement (see Figures 12 & 13). The reader may trace the posting of the journal summary amounts to the accounts with the February balances and follow the application of the balances to the statements.

Statistics

Besides the monthly profit and loss statement, certain statistical information relating to the operation of the hotel should be compiled for the proprietor. He should know, first of all, what is the percentage of occupancy and how much he obtains, on the average, for each occupied room. The number of rooms occupied can be obtained from the Room Count Book. See Figure 2. These two items of statistical information are calculated as follows, assuming that the hotel at the present time has only sixty salable rooms:

Number of Salable Rooms	60
Number of Days in the Month	31
Number of Available Rooms (60 x 31)	1,860
Number of Rooms Occupied	1,209
Percentage of Occupancy (1,209 divided by 1,860)	65%
Room Sales	\$2,025
Number of Rooms Occupied	1,209
Average daily Rate per Room (2,025 divided by 1,209)	\$1.67

In addition, a systematic record, by months, of such data as the number of cubic feet of gas, gallons (or cubic feet) of water, kilowatts

U. S. DEPARTMENT OF AGRICULTURE
BUREAU OF PLANT INDUSTRY

WASHINGTON, D. C.

For the purpose of the present investigation, the following
plants have been selected for study: (1) *Pinus strobus*,
the white pine, which is one of the most important
timber trees of the United States; (2) *Abies balsamea*,
the white fir, which is also one of the most important
timber trees of the United States.

WASHINGTON, D. C.

The following table gives the results of the analysis of
the wood of the above-named plants. The figures are
expressed in percentages, and are the average of three
analyses. The figures in parentheses are the figures
for the wood of the same plants, as determined by
the method of analysis used by the United States
Bureau of Plant Industry. The figures in parentheses
are the figures for the wood of the same plants, as
determined by the method of analysis used by the
United States Bureau of Plant Industry.

Plant	Cellulose	Hemicellulose	Lignin	Extractives
<i>Pinus strobus</i>	45.0	15.0	35.0	5.0
<i>Abies balsamea</i>	48.0	12.0	35.0	5.0

The following table gives the results of the analysis of
the wood of the above-named plants. The figures are
expressed in percentages, and are the average of three
analyses. The figures in parentheses are the figures
for the wood of the same plants, as determined by
the method of analysis used by the United States
Bureau of Plant Industry. The figures in parentheses
are the figures for the wood of the same plants, as
determined by the method of analysis used by the
United States Bureau of Plant Industry.

The 100 Room Hotel Company, Inc.
Balance Sheet, March 31, 1948

Assets

Current Assets:

Cash on Hand	\$200.00		
In Bank	<u>2,324.78</u>	\$2,524.78	
Accounts Receivable:			
Cash Advances	\$41.75		
Other	138.98	180.73	
Inventories		<u>592.50</u>	\$3,298.01
Deposits with			
Public Service Companies			50.00
Prepaid Expenses:			
Insurance		\$149.50	
Real Estate Taxes		525.00	
Telephone Rental		<u>75.00</u>	749.50

Fixed Assets:

Land		\$15,000.00	
Building	\$126,000.00		
Less: Res. for Deprec.	<u>36,300.00</u>	89,700.00	
Furn. & Equipment	18,210.00		
Less: Res. for Deprec.	<u>6,150.00</u>	12,060.00	
China, Glass, Silver & Linen		<u>2,300.00</u>	119,060.00
			<u>\$123,157.51</u>

Liabilities and Capital

Current Liabilities:

Notes Payable	\$2,000.00		
Accounts Payable	798.60		
Accrued Interest on Mortgage	500.00		
Soc. Sec. Tax Deductions	14.27		
Withholding Tax Deductions	<u>25.73</u>	\$3,338.60	

Fixed Liabilities:

Mortgage Payable		50,000.00	
------------------	--	-----------	--

Capital:

Capital Stock Issued and			
Outstanding		\$60,000.00	

Surplus:

Balance, February 28, 1948	\$ 9,592.72		
Net Profit for March 1948	<u>226.19</u>	<u>9,818.91</u>	<u>69,818.91</u>
			<u>\$123,157.51</u>

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY

REPORT

1. Title of the work: *Investigation of the properties of the new compound*

2. Name of the student: *John Doe*

3. Name of the instructor: *Dr. Jane Smith*

4. Date: *March 15, 1950*

5. Summary of the work: *The purpose of this experiment was to determine the melting point and solubility of the new compound. The melting point was found to be 120°C and the compound was found to be soluble in water and alcohol.*

6. Detailed description of the work: *The compound was prepared by the reaction of ... The melting point was determined by the method of ... The solubility was determined by the method of ...*

7. Results and conclusions: *The results of the experiment show that the new compound has a melting point of 120°C and is soluble in water and alcohol. This is in agreement with the theoretical predictions.*

8. References: *1. Smith, J. D. J. Chem. Soc. 1948, 1234. 2. Doe, J. J. Chem. Soc. 1949, 567.*

APPENDIX

1. *Table of melting points of various compounds.*

2. *Table of solubility data for the new compound.*

3. *Table of physical constants of the new compound.*

4. *Table of chemical reactions involving the new compound.*

5. *Table of analytical data for the new compound.*

The 100 Room Hotel Company, Inc.
Profit & Loss Statement for Month of March 1948

Rooms:			
Sales		\$2,025.00	
Expenses:			
Payroll	\$465.75		
Other Expenses	<u>222.75</u>	<u>688.50</u>	\$1,336.50
Food:			
Sales			
Expenses:		\$2,700.65	
Cost of Food	\$1,174.25		
Payroll	627.10		
Other Expenses	<u>259.60</u>	<u>2,060.95</u>	639.70
Cigar Stand:			
Sales		\$390.19	
Cost of Goods Sold		<u>292.65</u>	97.54
Telephone:			
Sales		\$150.40	
Cost of Service		<u>165.00</u>	<u>-14.60</u>
Other Income			<u>45.05</u>
Gross Income			\$2,104.19
Deductions from Income:			
General Expenses		\$364.50	
Advertising		81.00	
Heat, Light & Power		405.00	
Repairs & Maintenances		<u>187.50</u>	<u>\$1,038.00</u>
House Profit			\$1,066.19
Store Rental			<u>100.00</u>
Gross Operating Profit			\$1,166.19
Non-Operating Expenses:			
Taxes		\$175.00	
Insurance on Bldg. & Contents		40.00	
Interest on Mortgage		250.00	
Interest on Notes		25.00	
Depreciation on Bldg.		300.00	
Depreciation on Furn. & Equipment		<u>150.00</u>	<u>940.00</u>
Net Profit			<u>\$226.19</u>

of electricity, and tons of coal or gallons of oil consumed, will often help in explaining fluctuations in these expenses.

APPENDIX

This practice set consists of transactions of the Boston Hotel Corporation for the month of August. Use the current year with all dates.

CHART OF ACCOUNTS:

Cash on Hand
Cash in Bank
Petty Cash
Accounts Receivable--Cash Advances
Accounts Receivable--Other
Inventories
Deposits with Public Service Companies
Prepaid Insurance
Prepaid Real Estate Taxes
Prepaid Telephone Rental
Land
Building
Reserve for Depreciation of Building
Furniture and Fixtures
Reserve for Depreciation of Furniture and Fixtures
China, Glass, Silver, and Linen
Notes Payable
Accounts Payable
Social Security Tax Deductions
Withholding Tax Deductions
Social Security Tax Payable
Accrued Payroll
Accrued Interest on Mortgage
Mortgage
Capital Stock
Surplus
Profit and Loss Account
Room Sales
Room Payroll
Room Expense
Food Sales
Food Cost
Food Payroll
Food Expense
Cigar Stand Sales
Cigar Stand Cost
Telephone Sales
Telephone Cost
Other Income
General Expense
Advertising
Heat, Light, and Power

Repairs and Maintenance
Store Rentals
Real Estate Taxes
Other Taxes
Insurance on Building
Interest on Mortgage
Interest on Notes Payable
Depreciation on Building
Depreciation on Furniture and Fixtures

Use the following books of original entry:

Cash Receipts Book
Cash Disbursements Book
General Journal

Instructions: Make all entries in the above journals and post all figures (except to the subsidiary ledgers) to the general ledger. Postings, except totals, should be made daily.

Make the appropriate entry whenever necessary.

Column headings for two books of original entry which you will use with this practice set are shown in Figures 14 and 15. The general journal can be a two-column type. Use any standard ledger paper, allowing ten lines for each account.

TRANSACTIONS

August 1, 19 :

(1) The Boston Hotel Corporation was organized this day with 10,000 shares of capital stock, par value \$100 each share.

(2) Cash was paid for 250 shares of stock by Robert Brown.
Gregory Rice bought for cash 250 shares.

In a transaction in which a hotel, The Boston Club, a privately owned business, is purchased, the assets and liabilities are as follows:

CASH RECEIPTS BOOK						
Cash Received						
Date	Rooms	Telephone	Laundry	Cash Advances Collected	Restaurant	

Cash Received (continued)					
Cigar Stand	Comm.	Sundry Front Office Receipts		Other Receipts	Total Receipts
		Amount	Explanation		

Cash Paid Out					
Advances to Guests	House Expenses	Total Paid Out	Net Receipts Deposited		

Figure 14. Cash Receipts Book

1880	
Jan 1	100.00
Feb 1	100.00
Mar 1	100.00
Apr 1	100.00
May 1	100.00
Jun 1	100.00
Jul 1	100.00
Aug 1	100.00
Sep 1	100.00
Oct 1	100.00
Nov 1	100.00
Dec 1	100.00

Jan 1	100.00
Feb 1	100.00
Mar 1	100.00
Apr 1	100.00
May 1	100.00
Jun 1	100.00
Jul 1	100.00
Aug 1	100.00
Sep 1	100.00
Oct 1	100.00
Nov 1	100.00
Dec 1	100.00

Jan 1	100.00
Feb 1	100.00
Mar 1	100.00
Apr 1	100.00
May 1	100.00
Jun 1	100.00
Jul 1	100.00
Aug 1	100.00
Sep 1	100.00
Oct 1	100.00
Nov 1	100.00
Dec 1	100.00

100.00

CASH DISBURSEMENTS BOOK					
Date	Name	Check No.	Amount of Check	Cash Paid at Front Office	Accounts Payable

Food Cost	Cigar Stand Cost	Payroll			
		Total		Deductions	
		Dept.	Earned	Soc. Sec. (Cr.)	With. Tax (Cr.)

Room Expense	Food Expense	General Expense	Heat, Light and Power	Repairs and Maintenance	Sundries	
					Expl.	Amount

Figure 15. Cash Disbursements Book

Inventories:

Food	\$ 1,550	
Room Supplies	500	
Fuel & Engine Room		
Supplies	400	
Cigar Stand	100	
Deposit with Public		
Service Companies	50	
Land	18,000	
Building	150,000	
Furniture & Fixtures	25,000	
China, Glass, Silver,		
& Linen	5,500	
Notes Payable		5,000
Mortgage 5 per cent		50,000
John Drake, Capital		146,100

(3) The assets and liabilities of the Boston Club are taken over by the Boston Hotel Corporation, and John Drake is paid in cash for his capital interest.

Since the purchase of this hotel property means the acquisition of an operating business, revenues and expenses occur at once.

(4) There are three front office clerks, and each is given \$100 as a change fund.

(5) The following purchases are made on account:

Lambert Wholesale Grocery (Food)	\$1,250
Swift Packing Company (Food)	278
The Best Company (Linens)	625
Morse Tobacco Company (Cigar Stand)	78

August 2:

The following summaries of Front Office Cash sheets are shown below. Even though these sheets are presented to you on the day following that of the business operations, your entries should bear the date of the actual transactions.

(6) The following summary is received from the front office, and this is representative of the daily records so received. For the sake

of brevity, the future Front Office Cash sheet summaries will show the totals for several days.

	Clerks		
	Johnson	Reed	Lane
Cash Receipts:			
Rooms	\$35.00	\$30.00	\$10.00
Meals	30.00	40.00	25.00
Telephone	3.50	2.10	
Laundry	2.40	1.40	1.00
Store Rent	75.00		
Cigar Stand	2.00	3.00	1.50
	<u>\$147.90</u>	<u>\$76.50</u>	<u>\$37.50</u>
Cash Paid Out:			
Express (Food)	\$1.25		
Stationery		.50	
Advances to Guests	7.20	\$5.10	\$2.00
	<u>\$8.45</u>	<u>\$5.60</u>	<u>\$2.00</u>

(7) A supply of stationery arrived from the Babcock Printing Company, on account. The invoice reads as follows:

Guest's stationery	\$150
(Charge Rooms - Other Expenses)	
Office Stationery	75
(Charge General Expense)	

(8) Replacements of china, glass, and silver were made from the Hotel Supplies Company. Invoice amount was \$280.

(9) A contract for painting the interior and exterior of the hotel was signed today with the Dowling Company for \$2,000. The contract provides for the completion of the work during August and for the advance payment of the contract price. Since other large expenditures are anticipated, this money is borrowed from the First National Bank on a \$2,000, 30-day note. The proceeds received are \$1,990.

Received of the Treasurer of the County of ... the sum of ... Dollars for ...

Item	Amount	Total
...
...
...
...
...
...
...
...
...
...

Witness my hand and seal of office this ... day of ... 19...

Attest my hand and seal of office this ... day of ... 19...

By the Treasurer of the County of ...

Subscribed and sworn to before me this ... day of ... 19...

Notary Public for the State of ...

And I hereby certify that the foregoing is a true and correct copy of the original as the same appears from the records of the County of ...

Attest my hand and seal of office this ... day of ... 19...

Notary Public for the State of ...

August 9:

(15) Front Office Cash sheet summary figure for the dates of August 2 through August 8 are shown below:

	Clerks		
	Johnson	Reed	Lane
Cash Receipts:			
Rooms	\$240.00	\$272.00	\$181.00
Meals	275.00	305.00	106.00
Telephone	18.20	13.00	12.50
Laundry	7.80	9.00	15.00
Cash Advances			
Collected	2.20	1.50	
Commissions	.75	1.50	2.00
Cigar Stand	12.00	8.00	4.50
Coin Locks	3.00		
	<u>\$558.95</u>	<u>\$610.00</u>	<u>\$421.00</u>
Cash Paid Out:			
Express			
(Cigar Stand)		\$1.02	
Express			
(Food)			\$2.01
Express			
(Furn. & Fix.)	\$3.40		
Stationery		.50	
Advances to			
Guests	3.75	5.00	1.00
	<u>\$7.15</u>	<u>\$6.52</u>	<u>\$3.01</u>

August 10:

(16) A guest claimed that an error was made on a room charge, to the amount of \$10. This claim was verified, and payment approved by the manager. A check is drawn to Albert Smith for the overcharge.

(17) The New England Hotel Association dues are paid by check, \$100.

(18) An exterminator firm was employed for the kitchen. The firm was paid by check, \$25.

1. The first part of the report is a general introduction to the subject.

2. The second part is a detailed description of the methods used.

Table 1		
Year	1950	1951
Jan.	100	100
Feb.	105	105
Mar.	110	110
Apr.	115	115
May	120	120
June	125	125
July	130	130
Aug.	135	135
Sept.	140	140
Oct.	145	145
Nov.	150	150
Dec.	155	155

Table 1. Summary of data for 1950 and 1951.

Table 2

Table 3

Table 4

Table 5

Table 6

Table 7

Table 8

3. The third part of the report is a discussion of the results obtained.

4. The fourth part is a conclusion and a list of references.

5. The fifth part is a list of appendices.

August 4:

(10) The Donnelly Advertising Agency has prepared for the hotel an advertising program including roadside and periodical advertising. An advance payment of \$2,500 is made today for August advertising.

(11) The following purchases on account were made:

Liberty Uniform Company	
Uniforms for housekeeper's department	\$120.
Uniforms for waiters and cooks	275.
Uniforms for bellman and porter	105.
S. S. Pierce Company (Food)	345.

(12) A cash payment was made with the Union News Company for newspapers and periodicals supplied to the cigar stand to the amount of \$53.20.

August 5:

(13) Invoices were today received from the following firms:

Elite Laundry Company		\$51.
Apportionment - Room linen	\$40.	
Restaurant linen	11.	
Globe Coal and Oil Company		\$167.
Apportionment - General hotel	\$159.	
Charcoal for kitchen	8.	
Boston Electrical Company (Repairs to elevator)		\$65.

August 8:

(14) The following payroll summary has been prepared by the manager and is presented to you for entry in the Cash Disbursements book.

Department	Total Earnings	Soc.	Sec.	With. Tax	Net Pay
Rooms	\$120.	\$1.20	\$7.80		\$111.
Food	178.	1.78	9.22		167.
General	250.	2.50	4.50		243.
Heat, Light & Power	65.	.65	2.35		62.
Repairs & Maintenance	85.	.85	3.15		81.

Land and buildings are owned by the State of New York.

The State of New York is the owner of the land and buildings.

The State of New York is the owner of the land and buildings.

The State of New York is the owner of the land and buildings.

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The State of New York is the owner of the land and buildings.

The State of New York is the owner of the land and buildings.

August 11:

- (19) The following invoices were received today:

Handymen Company (Removal of waste from the engine room)	\$10
Lindsey Furniture Company (Rugs and bedroom furniture)	\$1,670
Kendall Company (Electric light bulbs)	28
Lamsen Packing Company (Food)	230
Lambert Wholesale Grocers (Food)	132
Morse Tobacco Company (Cigar Stand)	20

August 12:

- (20) Pay all invoices received from August 1 through August 11.

August 13:

- (21) Royal Mills, Inc. bills us for new draperies, \$792.

August 15:

- (22) The manager draws a check for \$200 for traveling expenses to a professional convention.

- (23) The Chamber of Commerce is paid by check, \$10 for yearly dues.

- (24) An invoice from the Elite Laundry Company is classified as follows:

Room linen	\$38
Restaurant linen	10

- (25) The payroll summary for the week is shown below.

Department	Total Earnings	Deductions		Net Pay
		Soc.Sec.	With.Tax.	
Rooms	\$120.00	\$1.20	\$7.80	\$111.00
Food	180.00	1.80	9.20	169.00
General	250.00	2.50	4.50	243.00
Heat, Light, & Power	65.00	.65	2.35	62.00
Repairs & Maintenance	75.00	.75	3.25	71.00

August 17:

- (26) The Boston Rug Works sends an invoice for cleaning rugs, \$25.

100. The first part of the book is devoted to a general introduction to the subject of the history of the world, and to a description of the various methods which have been employed by historians in the collection and arrangement of their materials.

101. The second part of the book is devoted to a description of the various methods which have been employed by historians in the collection and arrangement of their materials.

102. The third part of the book is devoted to a description of the various methods which have been employed by historians in the collection and arrangement of their materials.

103. The fourth part of the book is devoted to a description of the various methods which have been employed by historians in the collection and arrangement of their materials.

104. The fifth part of the book is devoted to a description of the various methods which have been employed by historians in the collection and arrangement of their materials.

105. The sixth part of the book is devoted to a description of the various methods which have been employed by historians in the collection and arrangement of their materials.

106. The seventh part of the book is devoted to a description of the various methods which have been employed by historians in the collection and arrangement of their materials.

107. The eighth part of the book is devoted to a description of the various methods which have been employed by historians in the collection and arrangement of their materials.

Year	1800	1810	1820	1830	1840	1850	1860	1870	1880	1890	1900
Population	1,000,000,000	1,200,000,000	1,400,000,000	1,600,000,000	1,800,000,000	2,000,000,000	2,200,000,000	2,400,000,000	2,600,000,000	2,800,000,000	3,000,000,000
Area	1,000,000,000	1,200,000,000	1,400,000,000	1,600,000,000	1,800,000,000	2,000,000,000	2,200,000,000	2,400,000,000	2,600,000,000	2,800,000,000	3,000,000,000
Population	1,000,000,000	1,200,000,000	1,400,000,000	1,600,000,000	1,800,000,000	2,000,000,000	2,200,000,000	2,400,000,000	2,600,000,000	2,800,000,000	3,000,000,000
Area	1,000,000,000	1,200,000,000	1,400,000,000	1,600,000,000	1,800,000,000	2,000,000,000	2,200,000,000	2,400,000,000	2,600,000,000	2,800,000,000	3,000,000,000
Population	1,000,000,000	1,200,000,000	1,400,000,000	1,600,000,000	1,800,000,000	2,000,000,000	2,200,000,000	2,400,000,000	2,600,000,000	2,800,000,000	3,000,000,000
Area	1,000,000,000	1,200,000,000	1,400,000,000	1,600,000,000	1,800,000,000	2,000,000,000	2,200,000,000	2,400,000,000	2,600,000,000	2,800,000,000	3,000,000,000

108. The ninth part of the book is devoted to a description of the various methods which have been employed by historians in the collection and arrangement of their materials.

August 18:

(27) The Front Office Cash sheet summary figures for the dates of August 9 through August 17 are shown below.

	Clerks		
	Johnson	Reed	Lane
Cash Receipts:			
Rooms	\$357.00	\$420.00	\$125.00
Meals	162.00	100.00	111.00
Telephone	21.00	15.00	11.00
Laundry	5.00	18.00	12.50
Cash Advances			
Collected	6.00	1.00	7.20
Commissions	.50	6.00	1.30
Cigar Stand	15.50	12.00	14.50
Coin Locks	2.00		
	<u>\$569.00</u>	<u>\$572.00</u>	<u>\$282.50</u>
Cash Paid Out:			
Express			
(Food)	\$ 1.50	\$ 1.02	\$.70
Express			
(Furn. & Fix.)		3.40	
Stationery	.60		.10
Advances to			
Guests	18.00	11.20	1.50
	<u>\$20.10</u>	<u>\$15.62</u>	<u>\$ 2.30</u>

August 19:

(28) Hotel Supply Company furnishes us with the following items:

The merchandise with the invoice is received today.

Cleaning supplies (rooms)	\$18.00
Cleaning supplies (kitchen)	12.50
Soap (guests)	92.00
Ink (guests)	5.00
Paper supplies (kitchen)	4.50
Kitchen utensils (kitchen)	32.00
Menus	22.00
Waiters' checks	15.00

August 20:

(29) A guest's garments were stained by the dye in the upholstery of one of our dining-room chairs. A cash settlement of \$15 was made.

Table 1. Summary of results of the first series of experiments.

Table 2. Summary of results of the second series of experiments.

Series 1			Remarks
Time	Temp	Pressure	
10.0	100.0	10.0	Normal
10.5	100.0	10.0	Normal
11.0	100.0	10.0	Normal
11.5	100.0	10.0	Normal
12.0	100.0	10.0	Normal
12.5	100.0	10.0	Normal
13.0	100.0	10.0	Normal
13.5	100.0	10.0	Normal
14.0	100.0	10.0	Normal
14.5	100.0	10.0	Normal
15.0	100.0	10.0	Normal

Series 2			Remarks
Time	Temp	Pressure	
10.0	100.0	10.0	Normal
10.5	100.0	10.0	Normal
11.0	100.0	10.0	Normal
11.5	100.0	10.0	Normal
12.0	100.0	10.0	Normal
12.5	100.0	10.0	Normal
13.0	100.0	10.0	Normal
13.5	100.0	10.0	Normal
14.0	100.0	10.0	Normal
14.5	100.0	10.0	Normal
15.0	100.0	10.0	Normal

Table 3. Summary of results of the third series of experiments.

Table 4. Summary of results of the fourth series of experiments.

Series 3			Remarks
Time	Temp	Pressure	
10.0	100.0	10.0	Normal
10.5	100.0	10.0	Normal
11.0	100.0	10.0	Normal
11.5	100.0	10.0	Normal
12.0	100.0	10.0	Normal
12.5	100.0	10.0	Normal
13.0	100.0	10.0	Normal
13.5	100.0	10.0	Normal
14.0	100.0	10.0	Normal
14.5	100.0	10.0	Normal
15.0	100.0	10.0	Normal

Table 5. Summary of results of the fifth series of experiments.

Table 6. Summary of results of the sixth series of experiments.

August 23:

(30) The payroll on this date is the same as August 16.

August 24:

(31) B. B. Briney Company sends its bill for plumbing repairs, \$67.

August 25:

(32) The Front Office Cash sheet summary figures for the dates of August 18 through August 24 are shown below.

	Clerks		
	Johnson	Reed	Lane
Cash Receipts:			
Rooms	\$620.00	\$250.00	\$178.00
Meals	350.00	120.00	211.00
Telephone	12.00	16.00	10.00
Laundry	7.50	2.60	1.20
Cash Advances			
Collected	12.00	3.00	7.50
Commissions	.20	1.75	3.20
Cigar Stand	2.50		
	<u>\$1021.50</u>	<u>\$395.75</u>	<u>\$423.50</u>
Cash Paid Out:			
Express			
(Food)		\$2.20	
Advances to			
Guest	\$5.60	10.00	\$12.00
Restaurant			6.20
	<u>\$5.60</u>	<u>\$12.20</u>	<u>\$16.80</u>

August 26:

(33) Elite Laundry Company invoices us as follows:

Room linen	\$52.00
Restaurant linen	28.00
Guest's laundry	30.00

August 29:

(34) Boston Ice Company is given a check for \$27 as payment for ice furnished this month.

August 30:

(35) Union News Company is paid \$15 for cigar stand supplies.

1890

The first of the year was a very dry one.

1891

The second of the year was a very wet one.

1892

The third of the year was a very dry one.

The fourth of the year was a very wet one.

The fifth of the year was a very dry one.

The sixth of the year was a very wet one.

The seventh of the year was a very dry one.

The eighth of the year was a very wet one.

The ninth of the year was a very dry one.

The tenth of the year was a very wet one.

The eleventh of the year was a very dry one.

1893

The first of the year was a very dry one.

The second of the year was a very wet one.

1894

The third of the year was a very dry one.

The fourth of the year was a very wet one.

1895

The fifth of the year was a very dry one.

August 31:

(36) On the last day of the month the closing records of the front office clerks are obtained late in the evening of August 31. These summary figures cover the dates of August 25 through August 31.

	Clerks		
	Johnson	Reed	Lane
Cash Receipts:			
Rooms	\$262.00	\$300.00	\$425.00
Meals	322.00	156.00	525.00
Telephone	15.00	11.00	16.00
Laundry	5.00	2.50	14.00
Cash Advances			
Collected	12.50	5.80	10.00
Commissions	2.50	1.00	2.00
Cigar Stand	16.00	12.00	5.50
Coin Locker		3.50	
	<u>\$635.00</u>	<u>\$491.80</u>	<u>\$997.50</u>
Cash Paid Out:			
Express			
(Food)			\$2.10
Stationery		.60	
Advances to Guests	\$3.50	\$1.50	2.75
	<u>\$3.50</u>	<u>\$2.10</u>	<u>\$4.85</u>

(37) The following inventories are presented to you:

Inventory of Accounts Receivable August 31, 19

<u>Room No.</u>	<u>Name</u>	<u>Total Amt.</u>	<u>Rooms</u>	<u>Meals</u>	<u>Tel.</u>	<u>Ldy.</u>	<u>Cash Adv.</u>
320	Brown	\$ 31.50	\$15.00	\$ 6.00	\$.50	\$	\$10.00
330	Blake	50.75	20.00	30.00		.75	
420	Smith	8.20	5.00	2.00	1.20		
510	Keely	3.00	3.00				
511	Lake	22.00	16.00	6.00			
612	Towle	53.10	25.00	10.00	.70	6.00	11.40
614	Beaver	8.00	2.00	6.00			
		<u>\$176.55</u>	<u>\$86.00</u>	<u>\$60.00</u>	<u>\$2.40</u>	<u>\$6.75</u>	<u>\$21.40</u>

(38) Inventory values:

Food	\$2,100.
Room Supplies	450.
Fuel	350.
Cigar Stand	95.

(39) List all unpaid bills in the Cash Disbursements book as demonstrated in the text.

(40) Calculate for monthly adjustment the following items:

Prepaid insurance
Prepaid telephone rental
Accrued interest on mortgage
Accrued payroll: (Same as payroll indicated on
August 16.)
Accrued social security tax payable

(41) Estimated real estate tax is \$175.

(42) Take depreciation at the following rates:

Building	2 $\frac{1}{2}$ % yearly
Furn. & Fix.	10% yearly
China, Glass, Silver, & Linen	33 1/3% yearly

(43) Estimated services used during August but for which bills have not been received as follows.

Bell Telephone Company	\$120
Western Union	35
Edison Electric Light Co.	260
Boston Consolidated Gas Co.	52

THE UNIVERSITY OF CHICAGO

CHICAGO, ILL.

1911

TO THE PRESIDENT OF THE UNIVERSITY OF CHICAGO
FROM THE FACULTY OF THE UNIVERSITY OF CHICAGO
RESOLUTION

RESOLVED, That the Faculty of the University of Chicago

do hereby express its appreciation of the services of

THE PRESIDENT OF THE UNIVERSITY OF CHICAGO
AND THE FACULTY OF THE UNIVERSITY OF CHICAGO
IN THE YEAR 1911

AND DO HEREBY CERTIFY THAT THE FOLLOWING IS A TRUE AND CORRECT COPY OF THE RESOLUTION

ADOPTED BY THE FACULTY OF THE UNIVERSITY OF CHICAGO

AT A MEETING OF THE FACULTY OF THE UNIVERSITY OF CHICAGO
Held at Chicago, Ill., on the 11th day of May, 1911

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John Willy Company, Chicago, Illinois, Hotel Suppliers.

Date Due

<i>Remainder</i>			
JUL 22 1958			
OCT 7 1958			
MAR 11 1959			
MAR 1 1960			
MAR 8 1960			
AUG 1 1 1960			
AUG 3 1961			
AUG 3 - 1962			
OCT 21 '64			
OCT 20 1965			

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BOSTON UNIVERSITY



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